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REFORMING FEMA: ARE WE MAKING PROGRESS?

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

WITH THE

SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS, AND OVERSIGHT

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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REFORMING FEMA: ARE WE MAKING PROGRESS?

Wednesday, February 28, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS,
PREPAREDNESS AND RESPONSE,
WITH THE
SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS,
AND OVERSIGHT,
Washington, DC.

The subcommittees met, pursuant to call, at 10:05 a.m., in Room 311, Cannon House Office Building, Hon. Henry Cuellar [chairman of the Subcommittee on Emergency Communications, Preparedness, and Response] presiding.

Present from the Subcommittee on Emergency Communications, Preparedness, and Response: Representatives Cuellar, Sanchez, Lowey, Norton, Etheridge, Jefferson, Thompson, Dent, Jindal, and Davis.

Present from the Subcommittee on Management, Investigations, and Oversight: Representatives Carney, Perlmutter, and Rogers.

Mr. CUELLAR. [Presiding.] The joint hearing on the Subcommittee on Emergency Communications and Preparedness and Response and the Subcommittee on Management, Investigation and Oversight will come to order.

The subcommittees are meeting jointly today to receive testimony regarding the reorganization of FEMA, which was mandated by the Post Katrina Emergency Management Reform Act of 2000.

The chair also would like to recognize that there might be two to four members of the committee who do not sit on either of the subcommittees assembled here today, the gentlewoman from Texas, Ms. Jackson Lee, and the gentleman from Washington, Mr. Reichert.

And I believe we might have also Mr. Al Green from Texas and also Mr. Jefferson from Louisiana that have asked to participate in today's hearing. Consistent with the rules and the practices of the committee, we are pleased to honor their requests.

I now ask for unanimous consent to allow all four of the congressmen and women to sit and question the witness at today's hearing. Without objection, it is so ordered.

I would also note that Ms. Jackson Lee and Mr. Reichert and Mr. Jefferson and Mr. Green, they will be recognized for questioning, once all the other members have been recognized, in accordance with the rules of the committee.

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At this time, my opening statement.

I want to say, first of all, to the witnesses, thank you very much for being here with us. And on behalf of the members of both subcommittees, we want to welcome you to our panel. We are glad that you are here to share an update to give us a status on the FEMA reform.

As we begin, I would like to highlight the importance of this committee's rule that written testimony be received 48 hours in advance. I do understand that we all have time pressures, and they are often precedent. However, to ensure that the members are adequately prepared for each of the hearing, I would ask that every effort is made to adhere to the 48-hour rule.

Mr. Paulison and Mr. Foresman, your leadership in trying to reform our federal government, how we respond to disasters and to make FEMA a more responsive and effective agency will prove critical to our states, our local communities and the nation.

Hurricane Katrina and the subsequent flooding of New Orleans exposed significant flaws in our government's ability to prepare for, mitigate against, respond to, and recover from this type of event. It is our duty to ensure that this never happens again.

On October 4, 2006, President Bush signed into law the Post Katrina Emergency Management Reform Act of 2006, which made substantial changes to FEMA and the Department of Homeland Security, including making the administrative FEMA responsible for all phases of emergency management, effectively rejoining all preparedness and response activity within FEMA.

The purpose of this legislation was to establish FEMA as a distinct entity within the Department of Homeland Security, create a new leadership positions with clear position requirements, new missions that restored some of the responsibilities that had been removed. Finally, it enhanced the agency's authority to undertake a broad range of activities before and after disasters occur.

The reorganization has an effective date of March 31, 2007, which is just around the corner. Efficient, timely and effective implementation of the act is critical to homeland security, and it is a high priority for our committee and the American people.

The bill also included at least 44 deadlines for reports, the development and strategic and plans and the creation of new programs. FEMA and the department have already began missing those deadlines, a lot of those deadlines that Congress mandated in the legislation.

We certainly want to go into some details in a few minutes, and I look forward receiving an update from the witnesses on those particular deadlines.

Finally, we look forward to hearing updates on the department's efforts in the following areas: one, the restructuring of the emergency communication responsibilities in the department; number two, evacuation planning; number three, planning to minimize fraud, waste, abuse within FEMA; number four, improvements to mass care and housing; number five, improvements to help individuals with special needs.

As our witnesses will explain in details, FEMA and the Department of Homeland Security are undergoing massive reforms to

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their emergency management capabilities. While some progress has been made, enormous challenges still remain.

And as members of Congress, we certainly want to work with you to address those challenges. We are all in the same team, and we certainly want to work with you to make this an efficient, and effective, and accountable process, also.

The committee looks forward working with you during this process, and I want to again thank you, thank the witnesses again for their testimony.

Before I recognize the ranking minority member, let me just say this. The format that we have here—I just want to make sure everybody understands—we do have somebody—Mr. Jadacki, thank you very much?this is not a "gotcha" type of environment we want to set up.

We are interested in looking at some of the recommendations in that way so the members can ask, instead of having somebody sit down or walk out of the room, we can have somebody on the same table and then ask the questions from the members. So, again, this is a process or a stage so we can improve our questioning, and that way we can get the questions in and improve the process on that.

So, at this time, the chair now recognizes the ranking minority member of the subcommittee, the gentleman from Pennsylvania, Mr. Dent, for any statements that he might have.

Mr. DENT. Thank you, Mr. Chairman. And thank you, too, for holding this hearing. I also thank you for the bipartisan cooperation you have extended to me. It is very much appreciated. And I look forward to working with you over the course of this session on these issues.

First, thanks also to the witnesses. I look forward to discussing the department's reorganization proposal and the efforts under way to implement the lessons learned from Hurricane Katrina.

Last Congress, this committee played the lead role in crafting the Post-Katrina Emergency Reform Act of 2006. This legislation includes a number of reforms to strengthen the nation's preparedness and response capabilities.

For instance, this legislation would strengthen the Federal Emergency Management Agency, or FEMA, by improving situational awareness, incident command structure, ensuring that necessary goods and services are procured in advance of an event, strengthening operational planning, and improving customer service.

I also understand that FEMA has already taken steps, including 18 different assessments of its businesses practices, to improve the agency's operations. I look forward to hearing more about these improvements and other reform efforts that are under way.

There are three specific areas I would like to discuss today: one, FEMA's efforts regarding flood mitigation; two, medical preparedness; and, three, evacuation planning.

First, I am particularly interested in discussing FEMA's efforts to control, mitigate, and respond to the flooding of local streams. Local authorities have advised me that many of FEMA's flood maps are out of date. I am interested to hear how FEMA is working to correct this problem, especially coming from a state that probably has more flowing water than any of the lower 48 states.

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I am also concerned that FEMA is not doing enough to help with the local stream remediation. What, if anything, is FEMA going to do to coordinate with the Natural Resources Conservation Service, an agency within the Department of Agriculture, to promote remediation of streams that seem to flood year after year?

In addition, I look forward to discussing the new Office of Health Affairs and how this office will strengthen medical preparedness. In my home county of Pennsylvania is the state's largest hospital, Lehigh Valley Hospital.

Last Congress, this subcommittee examined the ability of the nation's emergency healthcare providers to respond to mass casualties from a terrorist attack, natural disaster, or other emergency. Through that hearing, we learned that much work remains to be done.

Emergency medical providers and public health providers must be included in preparedness and response planning, along with police, fire, and other first responders.

I look forward to hearing from our witnesses how the new Office of Health Affairs will ensure that our nation's hospitals and doctors' offices are included in preparedness and response planning.

And, finally, I am particularly concerned about FEMA's role in evacuation planning for terrorist attacks or natural disasters. I am concerned that the need to evacuate a large metropolitan area, say New York City, for example, to less urbanized areas would quickly overwhelm the resources of the host areas, in terms of evacuee housing and treatment.

I am interested in learning how FEMA can encourage the development of local evacuation plans that will incorporate host communities, including their municipalities, first responders, public and private hospital facilities, and public utility companies, as well as the federal government and others.

All of these groups must have a seat at the table to ensure that there is a smooth, well-coordinated response to an incident.

And, again, I thank the chairman and look forward to today's discussion, and look forward to working in a bipartisan manner over the course of the session.

Thank you, Mr. Chairman. I yield back.

Mr. CUELLAR. Thank you, Mr. Dent.

And I do want to say that we are going to be doing this bipartisan. I think at the very beginning both Mr. Dent and myself got together, and we talked about the different issues that we are going to cover throughout the hearing process that we are going to have.

And I think we reached an agreement I think on all of them, so I certainly look forward to working with you. Thank you, Mr. Dent.

At this time, the chair now recognizes the chairman of the Subcommittee of the Management, Investigation and Oversight, the gentleman from Pennsylvania, Mr. Carney, for an opening statement.

Mr. Chairman?

Mr. CARNEY. Chairman Cuellar, I would like to thank you for agreeing to hold today's hearing on the important and ongoing reforms at FEMA. Thank you very much.

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I would also like to recognize Chairman Thompson's leadership on this issue, as well, even though he is not present right now.

Undersecretary Paulison, thank you for coming in today. We do appreciate it. I look forward to hearing your thoughts on the new FEMA, on the reorganization of the new FEMA, and on the dealings it is had with the upper echelons of DHS. This issue has been of obvious concern, since we witnessed the failures that took place in the wake of Hurricane Katrina.

I plan on holding hearings in the Subcommittee on Management, Investigations and Oversight to examine post-Katrina reforms, particularly looking at DHS's headquarters and senior management.

Many predicted that, in the rush to create DHS, the unique needs of FEMA would be overshadowed, as it was removed from president's cabinet status. Unfortunately, as part of the second-stage review at DHS, FEMA was further weakened.

Secretary Chertoff decided to effectively break FEMA in two, separating response from preparedness, and ultimately creating a new directorate of preparedness.

On that note, I would also like to thank Undersecretary for Preparedness George Foresman for agreeing to testify before us and giving us some insight into the new responsibilities you will be undertaking, sir.

I worry that the new responsibilities of what is now referred to as the National Protection and Programs Directorate, or NPPD, may not be focused enough.

For example, I find it perplexing that the new NPPD is responsible for the US-VISIT program. It would seem to make more sense to group US-VISIT within Customs and Border Protection and not in the same directorate as the Office of Cybersecurity and Communications or the Office of National Capital Regional Coordination.

I am also looking forward to hearing from deputy inspector general from the Office of Disaster Assistance, as well. I hope that Mr. Jadacki will provide us with frank answers on the deficiencies his investigations have uncovered.

Additionally, I hope that he will feel comfortable in discussing potential shortcomings in the areas of all-hazard preparedness and response, based on his experience at DHS thus far.

I know that my colleagues and I plan on ensuring that the FEMA reorganization is conducted in a manner that satisfies the original intent of last year's Post Katrina Emergency Reform Act, as included in part of the fiscal year 2007 Homeland Security Appropriations Act.

I worry that the FEMA leadership in place when Katrina struck and the subsequent response placed significant burdens on many professional staff. The subsequent exodus of longtime FEMA employees and the resulting workload has led to instances of waste, fraud and abuse, as well as making FEMA weak in the eyes of many Americans.

I hope that we can use the spotlight on FEMA reform in the wake of Katrina to ensure that preparedness and response at the federal level can be repopulated with highly professional staff and that we can ensure that waste, fraud and abuse is fully investigated and prosecuted.

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Further, I am hopeful that the Committee on Homeland Security and the various agencies and directorates of DHS can continue to work with each other when it comes to oversight. Cooperation is essential to ensuring that the needs of Americans are met by FEMA in the event of a disaster, be it natural or manmade.

I look forward to working with all of you in the future, and I especially look forward to hearing from you today.

Thank you.

Mr. CUELLAR. Mr. Chairman, thank you very much. And I look forward to working with you. I know we will be setting up some other hearings together, hearings together to make sure we provide that efficiency.

At this time, the chair now recognizes the ranking member of the Subcommittee on Management, Investigations and Oversight, the gentleman from Alabama, Mr. Rogers, for an opening statement.

Mr. Rogers?

Mr. ROGERS. Thank you, Chairman Cuellar and Chairman Carney, for calling this joint hearing. I appreciate it.

I want to thank you gentlemen for taking the time out of your schedules to be here. I know you have all got your plates full, and I do appreciate you taking the time.

FEMA plays an important role within the Department of Homeland Security. The agency employs an all-hazards approach to prepare our nation for natural disasters and terrorist attacks, and responds to the emergencies when they do occur.

Last year, Congress passed legislation to reform FEMA and on January 18, 2007, Homeland Security Secretary Chertoff announced the reorganization plan for FEMA, which will take effect on March 31st. We look forward to hearing from our witnesses about their plans to implement this reorganization.

One important result will be the merger of the Noble training facility into the Center for Domestic Preparedness. The Noble Training Center is a unique federal facility that trains medical personnel to respond to incidents with mass casualties. The Center for Domestic Preparedness, known as CDP, trains first responders with live chemical agents.

Both facilities are co-located at the former Fort McClellan Army Base in Alabama. According to the Secretary's reorganization plan, the CDP director will report directly to the assistant administrator of the new National Integration Center.

I look forward to hearing from our witnesses about the status of this merger and how its placement within FEMA will strengthen training for first responders.

Another key provision of the FEMA reform legislation is the creation of the new homeland security education program. The academy will leverage existing programs, such as the CDP, and Naval Post-Graduate School to provide advance training to senior federal, state, and local homeland security officials.

I am interested to hear from our witnesses where this program will be located in the organization and how it will be administered.

Also, in the 109th Congress, our subcommittee reviewed a number of federal programs that were riddled with waste, fraud, and abuse. For example, the subcommittee found that, if FEMA had implemented some of the lessons learned from New York's experience

with September 11th aid programs, the extent of fraud in the aftermath of Hurricane Katrina would not have been so great.

The DHS inspector general also identified numerous examples of fraud in federal disaster assistance programs. We will hear today what FEMA is doing about this and what more it can do to protect taxpayer dollars in the future.

And with that, Mr. Chairman, I yield back.

PREPARED STATEMENT OF THE HONORABLE MIKE ROGERS, RANKING MEMBER, SUBCOMMITTEE ON MANAGEMENT, INVESTIGATIONS, AND OVERSIGHT

Thank you, Chairman Carney. I want to thank you and Chairman Cuellar for holding this joint subcommittee hearing on the reorganization of the Federal Emergency Management Agency.

First I would like to welcome our witnesses, and thank them for taking time out of their busy schedules to be with us today.

FEMA plays a vital role within the Department of Homeland Security.

The agency employs an all-hazards approach to prepare our Nation for natural disasters and terrorist attacks, and responds to these emergencies when they occur.

Last year, Congress passed legislation to reform FEMA.

And, on January 18, 2007, Homeland Security Secretary Chertoff announced the reorganization plan for FEMA, which will take effect on March 31st.

We look forward to hearing from our witnesses about their plans to implement this reorganization.

One important result will be the merger of the Noble Training Center into the Center for Domestic Preparedness.

The Nobel Training Center is a unique Federal facility that trains medical personnel to respond to incidents with mass casualties.

The Center for Domestic Preparedness—known as the C—D—P—trains first responders with live chemical agents.

Both facilities are co-located at the former Ft. McClellan military base in Alabama.

According to the Secretary's reorganization plan, the C—D—P Director will report to the Assistant Administrator of the new National Integration Center.

I look forward to hearing from our witnesses about the status of the merger, and how its placement within FEMA will strengthen training for first responders.

Another key provision of the FEMA reform legislation is the creation of the new Homeland Security Education Program.

This Academy will leverage existing programs, such as the C—D—P and Naval Post-Graduate School, to provide advance training to senior Federal, state, and local homeland security officials.

I am interested to hear from our witnesses where this program will be located in the reorganization, and how it will be administered.

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For example, the Subcommittee found that if FEMA had implemented some of the lessons learned from New York's experience with September 11th aid programs, the extent of fraud in the aftermath of Hurricane Katrina would not have been so great.

The D—H—S Inspector General also has identified numerous examples of fraud in Federal disaster assistance programs.

We will hear today what FEMA is doing—and, what *more* it can do—to protect taxpayers' dollars in the future.

Thank you, Mr. Chairman. I yield Back.

Mr. CUELLAR. Thank you, sir. Thank you, Mr. Rogers.

And, again, we want to thank you and thank also the chairman of the full committee from Mississippi, the gentleman from Mississippi, Mr. Thompson, of course, the ranking member from the committee, the gentleman from New York, Mr. King, for their leadership that they have provided to the full committee and to these subcommittees that we have.

Other members of the subcommittees are reminded that, under the committee rules, opening statements may be submitted for the record.

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And at this time, I think you heard from us, and now we would like to welcome the panel of witnesses. Our first witness member is Mr. David Paulison, which is the undersecretary for federal emergency management at the Department of Homeland Security.

Our second witness will be Mr. George Foresman, which is the undersecretary for preparedness at the Department of Homeland Security.

And our third witness is Mr. Matt Jadacki, who is the deputy inspector general from the Office of Disaster Assistance and Oversight at the Department of Homeland Security.

And we are all pleased to have you. And, again, I do want to emphasize the format is just a way to help us streamline our questioning and to help improve the process.

I know sometimes people feel uncomfortable if you have the GAO or the inspector general. Again, this is to help better the process itself.

So without objections, the witnesses' full statements will be inserted in the record. And now I ask each witness to summarize his statement for 5 minutes, beginning with the undersecretary, Mr. Paulison.

Thank you for being here, sir.

STATEMENT OF HON. R. DAVID PAULISON, UNDER SECRETARY FOR FEDERAL EMERGENCY MANAGEMENT, FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. PAULISON. Chairman Cuellar, thank you very much, Chairman Carney, Mr. Rogers, the rest of the committee.

We appreciate very much the invitation to come. It is my first opportunity to testify in front of the new Congress and talk about the new FEMA.

Just before the reorganization was announced in January, FEMA had already been making major reforms based on the lessons learned from our response to Katrina and the 2005 hurricane season.

It is often said that those who do not learn from the past are doomed to repeat it. I am here to tell you that we have learned from the past, and we have made major changes already in the organization. Today, FEMA is better, it is stronger, and it is more nimble than the FEMA of even a year ago.

Last fall, Congress passed a Post Katrina Emergency Management Reform Act to authorize and encourage further reforms. The Department of Homeland Security and FEMA took this as an opportunity to review operations in the organization.

We have not just done the bare minimum required by law; instead, we have developed a robust organizational structure that will be better equipped to serve the American people.

Under this new structure, FEMA will have a strengthened presence within the Department of Homeland Security, and many of the functions necessary to prepare for, respond to, and to recover from a disaster will be better aligned directly within the agency.

FEMA will be headed by an administrator, two deputy administrators, and a number of key assistant administrators. And my written testimony includes the organizational chart for you to review.

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President Bush and Secretary Chertoff have asked me to continue as the new FEMA administrator.

This new structure takes advantage of this opportunity to improve our operations and our business processes. We do not just have a deputy of the old FEMA and one for the new process; we are truly realigning the functions where it makes sense.

Some of the existing FEMA offices will fall under the new Preparedness Directorate, while some of the moving DHS programs will report to a chief operating officer, and a few of those offices will report directly to me.

This new FEMA will consult with and hear from new voices that we have not had before. Under our new structure, we will have now a disability coordinator, a senior law enforcement adviser, a state and rural advocate, and a national advisory council here in Washington.

But changing FEMA in Washington is not enough. This reorganization has a major regional component, also. The regions are truly where the rubber meets the road.

For the first time in recent memory, we now have full-time regional directors in all 10 of our regions, and all 10 of these people come with the years and years of experience in emergency management. This new structure will also include regional advisory councils and regional grant advocates to help improve our communication with our tribal, state and local governments, as well as the private sector.

All of these changes are set to go into effect on March 31st of this year, and we have been working with preparedness to ensure a smooth transition, and we have been working since last fall.

While there will be bumps along the way, we have a clear process and clear procedures in place to move these reforms forward while maintaining our ability to respond during the period of change.

The president's budget reflects priorities set for this new FEMA, incorporates a new structure. It demonstrates President Bush's and Secretary Chertoff's commitment to build a strong national emergency management system.

Looking back, it is hard to believe that we allocated only $350 million in preparedness grants in 2001. In the last 5 years, we have allocated more than $16 billion to state and local governments. In fiscal year 2008 alone, we have proposed an additional $2.2 billion in FEMA grants to state and local governments.

With the new structure and improved financial resources, we would ask what the new FEMA means for American public. The new FEMA will prove to the public that we are an agency that works for all of our citizens. The new FEMA will capitalize on partnerships among the federal, tribal, state and local authorities, and we will do this because we will bring value to them.

This new FEMA will manage our assets more efficiently and effectively than we have in the past. And this new FEMA will help the nation continue to build a cultural of preparedness. The new FEMA will be ready to take a leadership role where needed, provide support where appropriate, and be on hand across the country before, during and after any major event.

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I want to thank you for the time you have given me. And we look forward to continuing to work with you in the upcoming days and years. And I will be happy to answer any questions you might have. Thank you.

[The statement of Mr. Paulison follows:]

PREPARED STATEMENT OF THE HONORABLE R. DAVID PAULISON, UNDER SECRETARY, FEDERAL EMERGENCY MANAGEMENT, FEDERAL EMERGENCY MANAGEMENT AGENCY

Chairman Cuellar, Ranking Member Dent, Members of the Subcommittee:

As this is my first opportunity to appear before the 110th Congress, let me start by saying that I look forward to working with this Subcommittee and the entire Congress in not only reorganizing the Federal Emergency Management Agency (FEMA) and building what we are calling a "New" FEMA, but also in returning later this spring to highlight some of the key changes that have occurred in FEMA since Hurricane Katrina and to present the President's FY-08 Budget submission for FEMA. The budget reflects the President's commitment to improving our Nation's response system, and the first step in what will be a multi-year effort to significantly increase FEMA's core capabilities and our capacity to better serve our Nation.

Background

Hurricane Katrina made landfall in Florida and the Gulf Coast States in late August 2005, and was followed soon afterwards by Hurricanes Rita and Wilma. These disasters will long be remembered for disrupting families, changing lives, and forcing Americans to rethink vulnerability and risk assumptions. In addition to these impacts, the hurricanes served as catalysts for significant changes in Federal policy and the organization of responsible Federal entities, notably within the Department of Homeland Security (DHS) and in particular within FEMA.

Most of those changes were included in Title VI of the FY 2007 Homeland Security Appropriations Act. Among other provisions, Title VI, officially titled the "Post-Katrina Emergency Management Reform Act of 2006," articulates expectations for FEMA, establishes new leadership responsibilities, brings an expanded scope of missions, and allows FEMA to undertake a broad range of activities involving prevention, protection, response, recovery and mitigation both before and after terrorist events, natural and manmade disasters. The Post-Katrina Act contains provisions that set out new law, amend the Homeland Security Act (HSA), and amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act).

I am pleased to appear before the Subcommittee today to describe the New FEMA and the reorganization that is presently underway that reflects the mandate established by Congress last fall.

The New FEMA

The Post-Katrina Emergency Management Reform Act reorganizes DHS by reconfiguring FEMA with consolidated emergency management functions, including national preparedness functions. The newly-constituted FEMA will be established as a distinct entity, yet integral to DHS, similar to the U.S. Coast Guard and U.S. Secret Service. As required by the Act, the New FEMA will include the functions existing within FEMA as of June 1, 2006 and those elements of the Preparedness Directorate that were in the Preparedness Directorate as of June 1, 2006 and not specifically excluded by the Act. The New FEMA will be headed by an Administrator, I have been asked to serve in the newly titled position of Administrator. As required by the Post-Katrina Act, the organizational changes required for New FEMA will be effective on March 31, 2007.

Significantly, and consistent with our analysis of Hurricane Katrina lessons learned, the New FEMA will not simply tack on new programs and responsibilities. The Act clearly invites a thorough assessment of the internal FEMA structure to incorporate lessons learned from Hurricane Katrina and to integrate systematically new and existing assets and responsibilities within FEMA. That is precisely what we have done. The new organization reflects the expanded scope of FEMA's responsibilities. It supports a more nimble, flexible use of resources. It will strengthen coordination among FEMA elements and with other DHS components. It will enable FEMA to better coordinate with agencies and departments outside of DHS. And it will deliver enhanced capabilities to partner at the state and local level with emergency management and preparedness organizations and to engage the capabilities of the private sector.

While the Act allows FEMA to be structured with not more than four Deputy Administrators, at this time we will establish two Deputy Administrators. One will be

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the Deputy Administrator and Chief Operating Officer. This will be the principal deputy, with overall operational responsibilities at FEMA. Harvey Johnson, currently the Deputy Director and Chief Operating Officer of FEMA, will continue in this role. The other will be the Deputy Administrator for National Preparedness, a new directorate within FEMA.

Nine Assistant Administrators will report through one of the two Deputy Administrators to the Administrator (see attached organizational chart). Seven of the Assistant Administrators will report to the Deputy Administrator and Chief Operating Officer for the following directorates: Logistics Management, Disaster Assistance, Disaster Operations, Grants Management and Operations, U.S. Fire Administration, National Continuity Programs, and Mitigation. Two of the Assistant Administrators will report to the Deputy Administrator for National Preparedness: the National Integration Center (NIC) and the Readiness, Prevention, and Planning Directorate.

National Preparedness

The Deputy Administrator for National Preparedness will head a new directorate within FEMA, consolidating FEMA strategic preparedness assets. It will include both existing FEMA programs and certain legacy Preparedness Directorate programs. It will incorporate functions related to preparedness doctrine, policy and contingency planning. It will further contain the Department's exercise coordination and evaluation program, emergency management training, along with the Chemical Stockpile Emergency Preparedness Program and the Radiological Emergency Preparedness program.

The Deputy Administrator for National Preparedness will oversee two major functional responsibilities: (1) Readiness, Prevention and Planning; and (2) the National Integration Center.

While we are still working to finalize the organizational structure of these divisions within the FEMA National Preparedness Directorate, the Readiness, Prevention and Planning division will be the central division within FEMA responsible for preparedness policy and planning functions. This expanded division will likely include FEMA's catastrophic planning activities and the following offices: (1) Exercise & Evaluation; (2) Contingency Preparedness; (3) Preparedness Doctrine & Policy; (4) Citizen Corps; and (5) the Chemical Stockpile Emergency Preparedness Program and the Radiological Emergency Preparedness program. The Readiness, Prevention and Planning division will be responsible, among other functions, for coordinating HSPD-8 (National Preparedness) implementation, the National Assessment and Reporting System, Nationwide Plan Review, the Federal Preparedness Coordinator program, and coordinating with the approximately 2,100 Citizen Corps Councils in all of the States and territories and the numerous governmental and non-governmental Citizen Corps partners. The directorate will also work seamlessly with Grants Management and Operations to develop the grant policy guidance and management and operations metrics for the full spectrum of grants for which FEMA will be responsible to administer. We also look to greater involvement in the development of grants management and operations guidance from other elements of DHS, such as the U.S. Coast Guard, the Transportation Security Administration, and the Office of Intelligence & Analysis. These components will assist FEMA by using their subject matter expertise to develop substantive guidance and accomplish meaningful and measurable progress toward our Preparedness goals.

Within FEMA, the National Integration Center (NIC) will provide FEMA with the ability to elevate Preparedness and Emergency Management knowledge and capabilities across all jurisdictions: federal, state and local. The NIC will serve both as a center for training and doctrine development and for the delivery of high quality training to first responders from the Fire Academy, Emergency Management Institute, and the Noble Center across the full spectrum of preparedness, response, recovery and mitigation, as well as prevention in coordination with other organizations within DHS. The NIC will also be responsible for the National Incident Management System (NIMS) and the National Response Plan (NRP), as well as the annexes and supplements to the NRP, such as the Catastrophic Incident Annex and the Catastrophic Incident Supplement. In addition, the NIC will oversee the Training Division, the Systems Support Directorate, the Center for Domestic Preparedness and Noble Training Center, the NIMS Integration Center, the Emergency Management Institute, and relationships with FEMA's training partners and external associations. Working with Citizen Corps, the NIC will also coordinate with the Corporation for National and Community Service to establish a process to better use volunteers and donations and to improve first responder activities with State, local and tribal governments, as well as non-governmental organizations.

In carrying out these responsibilities, the Assistant Administrator of the NIC will closely coordinate with the Administrator of the U.S. Fire Administration, particu-

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larly with regard to efficient utilization of the National Fire Academy campus assets in Emmitsburg, Maryland, which are also transferred back to FEMA pursuant to the Act. I envision that the functions and organization of the U.S. Fire Administration will not substantially change with this reorganization. The U.S. Fire Administration will remain responsible for the National Fire Academy as well as for the data analysis, reporting, training and other coordination activities currently being done there.

The offices currently within the Preparedness Directorate that will not be transferred to FEMA are explicitly delineated in the Act and include the Office of Infrastructure Protection, the National Communications System, the National Cyber Security Division, and the Office of the Chief Medical Officer.

Other FEMA Headquarters Elements

Also under this new organization, the DHS Office of Grants and Training will be moved to the New FEMA and reorganized as Grants Management and Operations with some elements moving to the National Preparedness Directorate. The Training and Systems Support Division of the Office of Grants and Training will be transferred to the NIC. The Office of the Citizen Corps within the Office of Grants and Training will be transferred into the National Preparedness Directorate's Office of Readiness, Prevention and Planning. The Public Affairs, Legislative Affairs, and Executive Secretary positions within the Office of Grants and Training will transfer to their equivalents within Office of External Affairs. The current Grants and Training Business Office and Preparedness Programs Division will transfer into the immediate Office of the Assistant Administrator for Grants Management and Operations. A joint missions and planning team in FEMA with full participation of the current leadership of the existing DHS Office of Grants and Training has been meeting for the past several weeks to develop the mechanisms to manage these programs with a view towards enhancing our support of State and local partners and to operationalize the national preparedness efforts already underway.

In addition to incorporating the Preparedness elements into FEMA, the New FEMA will also sharpen our focus on building core competencies in logistics, operational planning, incident management and the delivery of disaster assistance. These new core competencies will be evident in our organizational structure. For example, we will establish: (1) a *Logistics Management* Directorate to fulfill the mandate of the new HSA Section 636; (2) a *Disaster Assistance* Directorate incorporating elements of the current Recovery division; and (3) a *Disaster Operations* Directorate incorporating the existing FEMA Response Division and elements from the Preparedness Directorate's National Preparedness Task Force. These three entities within FEMA will be headed by Assistant Administrators. FEMA will also maintain directorates that focus more clearly on broader issues of preparedness, protection and mitigation, including the *National Continuity Programs* Directorate (formerly Office of National Security Coordination), and the *Mitigation* Directorate. Both will be headed by Assistant Administrators.

I am also pleased to report that FEMA will establish a Disability Coordinator. The new position works with both the Disaster Assistance and Disaster Operations Directorate, ensuring that we incorporate considerations for the disabled in how we plan, respond and recover from disasters. The selection will be made following consultation with appropriate groups including disability interest groups as well as State, local and tribal groups. The Disability Coordinator is charged with assessing the coordination of emergency management policies and practices with the needs of individuals with disabilities, including training, accessibility of entry, transportation, media outreach, and general coordination and dissemination of model best practices, including evacuation planning. The Disability Coordinator will work closely with the Department's Office of Civil Rights and Civil Liberties.

The Act also requires that a National Advisory Council be created, the members of which will be appointed by the FEMA Administrator. The Council has already been established and membership is being sought. Also to be appointed within FEMA will be a Small State and Rural Advocate who will work within the Office of External Affairs. The Small State and Rural Advocate will be an advocate for the fair treatment of small States and rural communities.

Under this reorganization, both the DHS Office of State and Local Government Coordination and the Office of Faith-Based Initiatives transfer to FEMA on March 31, 2007.

FEMA's headquarters administrative offices, which existed within FEMA on the date of enactment of the Post-Katrina Act (October 4, 2006), including the Executive Secretariat, the Office of Chief Counsel, the Office of Management (Human Resources, Information Technology, Acquisition and Facilities Management), the Office of the Chief Financial Officer, and the Office of Equal Rights, will report to the Ad-

ministrator through the Deputy Administrator/Chief Operating Officer. Operational and policy offices, including a new Law Enforcement Advisor to the Administrator and the Office of Policy and Program Analysis, will also report through the Deputy Administrator/Chief Operating Officer. FEMA will consolidate several former offices into a new Office of External Affairs, which will incorporate the Public Affairs, Legislative Affairs, Intergovernmental Affairs, and International Affairs offices.

In the FY07 DHS Appropriations Act, $6.459 million was appropriated for the "National Preparedness Integration Program" (NPIP). DHS will be submitting an expenditure plan describing how the funding will be used.

FEMA Regional Offices

The Act codifies and expands FEMA's regional office structure. The ten Regional Administrators provided for in the Act will report directly to the Administrator, and will be supported and coordinated by an Associate Deputy Administrator at FEMA headquarters. At the regional level, the Act provides for the creation of Regional Advisory Councils and at least one Regional Office Strike Team. The Regional Advisory Councils will provide advice and recommendations to the Regional Administrators on regional emergency management issues and identify weaknesses or deficiencies in preparedness, protection, response, recovery and mitigation for State, local and tribal governments based on their specialized knowledge of the region. The statute also establishes area offices for the Pacific and Caribbean jurisdictions as well as for Alaska in the appropriate regional offices.

The Act also transfers the DHS Office of National Capital Region Coordination (NCRC) to FEMA. NCRC will continue its work with stakeholders to address the unique challenge resolving inter-agency and multi-jurisdictional issues of the National Capital Region. NCRC will report to the Administrator through the Deputy Administrator/Chief Operating Officer, but it will be supported as needed by the Associate Deputy Administrator who works with the FEMA Regions.

The New FEMA Missions

As of March 31, 2007, FEMA will have the responsibility to lead and support efforts to reduce the loss of life and property and protect the nation from all hazards through a risk-based system that focuses on the expanded comprehensive emergency management components of preparedness, response, recovery, and hazard mitigation. The statute also addresses a fifth component—protection; FEMA will work closely with the Department's Office of Infrastructure Protection to help fulfill protection responsibilities through training, grants, planning, and other means.

Among the specific activities given to FEMA in the Act are the following:

- leading the nation's comprehensive emergency management efforts (including protection) for all hazards, including catastrophic incidents;
- partnering with non-federal entities to build a national emergency management system;
- developing federal response capabilities;
- integrating FEMA's comprehensive emergency management responsibilities;
- building robust regional offices to address regional priorities;
- using DHS resources under the Secretary's leadership;
- building non-federal emergency management capabilities, including those involving communications; and
- developing and coordinating the implementation of a risk-based all hazards preparedness strategy that addresses the unique needs of certain incidents.

The Act added responsibilities, including ensuring first responder effectiveness, supervising grants, administering and implementing the NRP, preparing and implementing Federal continuity of government and operations plans, and maintaining and operating the National Response Coordination Center, among others.

Incorporating Preparedness Into the New FEMA

FEMA is focused on incorporating the concept of preparedness into all of our programs and making the protection and preparedness missions an integral part of a new, coherent Agency organization in support of a comprehensive National Preparedness and Emergency Management System. Given the desire to take advantage of this opportunity to identify and incorporate the synergies that Congress envisioned for New FEMA, we have established a FEMA—Preparedness—DHS Senior Leadership Team to guide this transition effort. We have also established a number of functional teams to address the major transition management issues in the areas of personnel, finance, and information technology among others. We are reaching out for consultation and collaboration to other DHS components; the Federal interagency community; Congress; the White House; key emergency management, law enforcement and preparedness organizations; the policy community; and State, local and private sector leaders. We anticipate completing the administrative actions

needed to integrate FEMA and preparedness organizationally by March 31, 2007, while full integration of FEMA and preparedness functions will be an ongoing effort over the months following.

Our approach to the creation of the "New FEMA" is designed to:

- Incorporate lessons learned and best practices into the new organization with a focus on core competencies to build a strong foundation for maximum effectiveness from the start;
- Ensure a unified approach to the incorporation of protection, preparedness, response, recovery and mitigation principles in foundational doctrines/documents such as the NRP, NIMS, the National Preparedness Goal, and the Target Capabilities List;
- Employ new technologies where appropriate to enhance capabilities and efficiencies of services. In strong partnership with the Science and Technology Directorate using their CAPSTONE IPT process, the new FEMA will provide clear direction on the priority mission capability gaps so as to focus technology solutions to meet the highest priority incident management and first responder emergency communications requirements.
- Develop strong partnerships with other DHS components, the Federal interagency community, State, local and private sector leaders, and other non-governmental organizations in support of a comprehensive approach to protection, preparedness, response, recovery and mitigation efforts incorporating performance-based operating principles;
- Emphasize increased ability to fully address terrorist and other man-made acts as well as natural disasters - a risk-based all-hazards approach;
- Strengthen the culture of customer service, reinforced by best in class business practices for internal and external delivery of service;
- Support development of a more robust national emergency management system and an expanded and coordinated "Culture of Preparedness" to engage all Americans and to build on the efforts of Under Secretary Foresman in helping the Nation address the multitude of challenges we face; and
- Build strong regions as the essential field component that engages most directly with State and local partners, disaster victims, and the general public to both increase State and local preparedness and response capabilities to incidents when they occur.

What It All Means

At the end of the day, one could logically ask the question: What does a "New" FEMA mean for the American Public?

In my view, it means that we will offer the American public a FEMA that will in fact, become the Nation's preeminent emergency management agency. The New FEMA will develop operational core competencies and be strengthened by a dedicated and professional workforce that will be fully capable of:

- Leading the Nation to better prepare against the risk of an all-hazard disaster;
- Marshalling an effective national response and recovery effort;
- Reducing the vulnerability to life and property;
- Speeding the recovery of communities and individual disaster victims; and,
- Instilling public confidence at the time that is needed most—in the hours and days following a disaster.

New FEMA will be in touch with America, and be valued across all jurisdictions—Federal, State, local and tribal, and by the private sector and other non-governmental organizations, as an engaged, agile and responsive leader and partner in preparedness and emergency management.

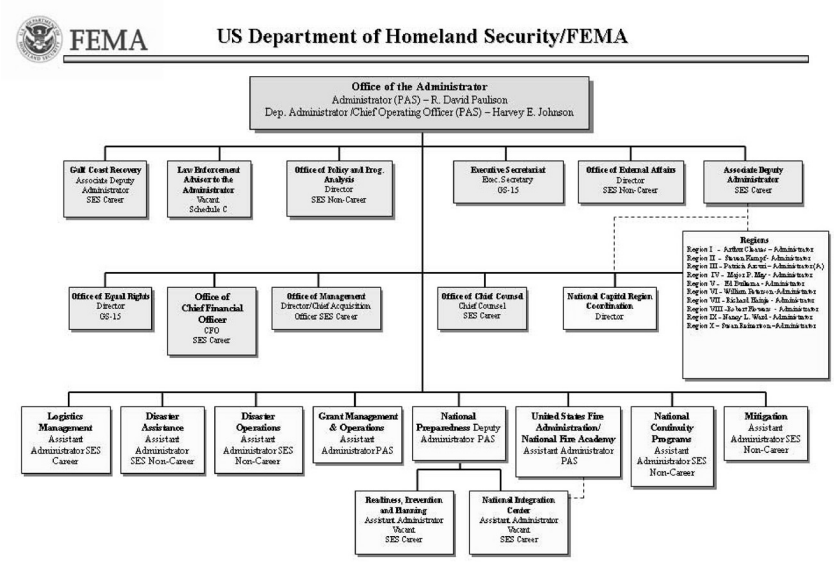
Should a disaster appear imminent, or even strike without warning, we will be prepared to work immediately with State and local officials. FEMA senior and regional staff will be in constant contact with our partners in State and local government as well as our colleagues in the Department and throughout the Federal government. We will preposition equipment and supplies and we will know *what* we have and *where* it is. Items will be moved to disaster scenes even before a request or a declaration is made, so that if they are needed, they are ready to deploy and use. We will execute the plans that we will have developed as collaborative partners in advance.

When the immediate threat has passed, FEMA will be on the ground immediately to assess requirements for Federal assistance and then quickly provide that response and recovery assistance to State and local governments and individual disaster victims. Mobile facilities will arrive to register victims so that an individual assistance can be quickly available where needed. We will be able to help more people more quickly, and with greater protection against waste, fraud and abuse.

First responders will also be better prepared, as they receive additional funds through grants and training that contribute measurably to enhanced preparedness, whether through the U.S. Fire Administration or by other FEMA staff. Planning for disasters will also improve as State and local officials receive hands-on assistance from FEMA staff. The public will have greater confidence in the abilities of their tribal, State and local officials as they see more and more of their leaders trained and certified in emergency management, and more and more of their first responders receiving similar and expanded training that meets their own needs.

In short, the "New" FEMA will be more agile, significantly stronger, and leaning more forward to deliver assistance more effectively than before. We have heard you and are acting on what you have asked us to do. FEMA will be ready to take a leadership role where needed, provide support where appropriate and be on-hand across the country before and after any major event—that I commit to you.

Thank you for your time today and I look forward to answering your questions.



Mr. CUELLAR. Okay, thank you.

I am going to ask all of the witnesses to summarize their statements, and then after that we will go onto questioning.

Again, thank you very much, Mr. Paulison, for being here with us and for your testimony.

I now recognize the undersecretary, Mr. Foresman, to summarize his statement for 5 minutes. Thank you, and welcome.

STATEMENT OF HON. GEORGE FORESMAN, UNDER SECRETARY FOR PREPAREDNESS, DEPARTMENT OF HOMELAND SECURITY

Mr. FORESMAN. Thank you, Mr. Chairman and members of the committee. Thank you for the opportunity to appear today.

Clearly, we are here to discuss the department's progress in implementing organizational changes directed by Congress that reflect both the maturing nature of the Department of Homeland Security in the face of a much better understood risk environment in

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the 21st century, as well as the lessons that we have all collectively learned from Hurricane Katrina.

In an interconnected and interdependent global economy, managing risk requires adaptability to a wide range of individual scenarios. These scenarios unite to create a very complex risk environment when it comes to protecting America.

This risk environment is dynamic. And DHS's approach to managing this risk environment must be equally dynamic.

This means making tough-minded assessments and recognizing that it is simply not possible to eliminate every threat, to every individual, in every place, at every moment. Simply put, we cannot completely eliminate risk in our lives. Therefore, we must attempt to manage it in a sensible way that offers the best possible level of protection to our citizens, our infrastructure, and our economy.

So how do we do this? Well, I can tell you that there is no one action alone that will allow us to effectively manage all of America's risk. The work that Chief Paulison and the men and women of the new FEMA undertake is a vital component in response and recovery when events occur.

So is the work of the Coast Guard, Customs and Border Protection, US-VISIT, our Office of Infrastructure Protection, Cybersecurity and Communications, to name just a few, along with a host of other DHS and non–DHS entities.

Fully protecting America, as was envisioned when the Department of Homeland Security was created, is about understanding current risk and assessing the likely future risk in the 21st century.

It is in this vein that the secretary took the opportunity presented by the congressionally directed organizational changes that have resulted in the organizational changes that Chief Paulison has just talked about, but the secretary also used this as an opportunity to assess the overall structure of the department, which led to the creation of the National Protection and Programs Directorate, or the NPDD, and the Office of Health Affairs.

These changes are illustrative of the continuing maturity of DHS, as the threat and the risk environment continues to evolve. The National Protection and Programs Directorate comprises the Office of Infrastructure Protection, the Office of Cybersecurity and Communications, Intergovernmental Programs, all legacy preparedness directorate functions, along with US-VISIT, and the new Office of Risk Management and Analysis.

The Risk Management and Analysis Office will lead the department's efforts to establish a common framework for addressing the overall management and analysis of the homeland security risk. This program will develop a coordinated, collaborative approach to risk management that will allow the department to leverage and integrate risk expertise across components and external stakeholders.

Because of the department's exceptional understanding of this complex, strategic risk environment, we are developing tangible actions in amalgamating activities across the continuum of government and private-sector partners, in terms of the creation of the NPPD.

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The secretary is placing US-VISIT into this new directorate in recognition of the fact that US-VISIT has evolved from simply a border control program that addresses a specific, congressional mandate to a program that is now an asset for the entire department and, frankly, an asset well outside of the department.

Furthermore, US-VISIT will support coordination for the directorate's mission and strengthen DHS management oversight of its important activities. When one fully considers the mission of US-VISIT, it is evident that its movement within the NPPD will strengthen the overarching mission of the department: to protect our nation from harm and protect our nation from those who would seek to do us harm.

NPPD is a service tool for the entire department, in the context of protecting America's critical infrastructure, key resources and people, specifically synchronizing these activities across the department.

Mr. Chairman, ranking members, members of the committee, I would say to you that progress is being made on many fronts in securing our borders, fusing intelligence, improving response and recovery, and many other activities. Each continues to contribute to protecting our nation.

However, these achievements represent the obvious steps that were recognized in the post–9/11 and post–Katrina environments. When our approaches to their implementation was virtually "everything goes" approach, what we called in the old days in the fire service "surround and drown," our national resources are not limitless.

Protecting America is about making wise and informed choices. It is about allowing the capabilities of any one part of our national homeland security apparatus to be interwoven in order to integrate and synchronize our national protection efforts.

In closing, I want to acknowledge the tremendous progress that has been made by components of the current Preparedness Directorate that will soon realign to FEMA. What is important is: They are not leaving the department. Their reporting simply will be different within our organizational structure.

This is purpose for America, because it will allow the department to remain united and resolute to address the challenges in protecting this nation in the face of a very complex and evolving, 21st-century threat environment.

Thank you for your time this morning, and I look forward to your questions.

[The statement of Mr. Foresman follows:]

PREPARED STATEMENT OF THE HONORABLE GEORGE W. FORESMAN, UNDER SECRETARY FOR PREPAREDNESS, DEPARTMENT OF HOMELAND SECURITY

Good morning Chairmen Cuellar and Carney, Ranking Members Dent and Rogers, Members of the Subcommittee. Thank you for the opportunity to appear before you to discuss the National Protection and Programs Directorate (NPPD).

Strategic Risk Environment

Secretary Chertoff and the Department continue to progress in many areas to manage our full environment of 21st century risk. Our mission is straightforward and guided by five goals:

Goal 1. Protect our Nation from Dangerous People
Goal 2. Protect our Nation from Dangerous Goods
Goal 3. Protect Critical Infrastructure

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Goal 4. Build a Nimble, Effective Emergency Response System and a Culture of Preparedness

Goal 5. Strengthen and Unify DHS Operations and Management

Transforming these broad goals into actual results is a complex undertaking. As Congress acknowledged last week with the passage of House Resolution 134, more than 200,000 Department of Homeland Security (DHS) employees are working tirelessly along with their partners across government and the private sector to protect America, its people, and its infrastructure.

The risks that we face come in many forms. Recent attention to the lessons of the August '06 British Air plot and Hurricane Katrina remind us of the wide range of hazards we face. These were headline grabbing events. Equally important but maybe lesser known are situations where vulnerabilities of infrastructure and information technology systems have manifested themselves.

In an interconnected and interdependent global economy, managing risk requires adaptability to a wide range of individual scenarios. These scenarios unite to create a very complex risk environment when it comes to protecting America. The risk environment is dynamic and DHS's approach to managing this risk environment must be equally dynamic.

This approach is focused on the most significant risks, we apply resources in the most practical way possible to prevent, protect against, and respond to manmade and natural hazards. That means making tough-minded assessments, and recognizing that it is simply not possible to eliminate every threat to every individual in every place at every moment.

The Department manages risk across a broad spectrum transcending borders and multiple hazards. Discipline is required to assess threats, review vulnerabilities, and weigh consequences; we then have to balance and prioritize our resources against those risks so that we can ensure that our Nation is protected.

Throughout our Nation's history, natural disasters have served as lessons for how to prepare for and respond to the next earthquake, tornado, flood, or hurricane.

Decades of experience in dealing with a sheer number of natural disasters globally, has provided sufficient data to understand their risk. By contrast, there have been far fewer terrorist events globally making our comprehension of risk less substantial.

DHS is focused on those possible terrorist events that pose the greatest potential consequences to human life and to the continuity of our society. At the top of that list is the threat of weapons of mass destruction. Weapons of mass destruction are weapons that, if used, could have a devastating effect on this country. Preventing the introduction and use of those weapons has to be the number one focus in the years to come.

We also must continue to guard against infiltration of this country by international terrorists who have the capability and intent to cause damage to the functioning of this country by engaging in multiple deadly attacks on people and our economy. And the illustration of this kind of a scenario is the plot in London that was uncovered last summer. Had it been successful, it would have cost the lives of thousands of people and had the potential to have raised a significant blow against the functioning of our entire system of international trade and travel.

But even as we look at these dangerous threats, we have to be mindful of something else: the potential for home-grown acts of terrorism. We have to recognize that there are individuals who sympathize with terrorist organizations or embrace their ideology, and are prepared to use violence as a means to promote a radical, violent agenda. To minimize this potential emerging threat, we have to work across Federal, State and local jurisdictions to prevent domestic radicalization and terrorism.

Risk is interdependent and interconnected—across communities to nations and must be managed accordingly. For example, a port closure or multiple port closures will not only have an impact on that port area, but also impact manufacturing facilities thousands of miles away that depend on the timely delivery of materials. One of the best examples of this interdependency is petroleum refinery capacity along the Gulf Coast following Hurricane Katrina. The day before Hurricane Katrina, Houston, Texas produced 25 percent of the Nation's petroleum. The day after Hurricane Katrina, with the facilities closed along the Gulf Coast, Houston was forced to produce 47 percent of the nation's petroleum. These examples demonstrate how significant supply chain interdependencies are in managing a full range of risk. So we understand that managing risk requires us to look at a broad continuum across a wide geographical area.

The National Protection and Programs Directorate must be prepared to meet these challenges.

NPPD Mission and Overview

The NPPD will comprise the Office of Infrastructure Protection (IP), the Office of Cyber Security and Communications (CS&C), the United States Visitor and Immigrant Status Indicator Technology (US-VISIT) program, the Office of Intergovernmental Programs, and the Office of Risk Management and Analysis. This new Directorate will allow the Department to serve as a focal point in enhancing the protection of America by interlacing key programs based on risk.

Currently, there are multiple components within DHS working independently to reduce our comprehensive risk. Three of these components will be located in NPPD—IP, which addresses physical risks; CS&C, which addresses cyber risks; and US-VISIT, which addresses human risks. All three of these offices use the same approach in reducing risk by utilizing data gathering, data analysis, and dissemination of information to operators.

The overarching responsibilities of NPPD are to enhance the protection of national assets, key resources, and people by countering threats whether they are physical, cyber or human. This will be accomplished by advancing the Department's risk-reduction mission and through identification of threats and vulnerabilities to infrastructure and people. In addition, NPPD will synchronize risk-mitigation strategies and Departmental doctrine for protecting America.

The NPPD responsibilities include:

- Promoting an integrated national approach to homeland security protection activities and verifying the approach and strategy via program metrics to assess performance and outcomes against mission goals;
- Protecting people and the Nation's critical infrastructure;
- Ensuring operable and interoperable systems and networks to support emergency communications through a full spectrum of conditions;
- Promoting cyber security
- Standardizing risk management approaches applied across the Department to ensure polices, programs, and resources are driven by a consistent methodology; and
- Enhancing the security of citizens and people traveling to the United States through the use of biometric capabilities.

NPPD will serve the public through these major program activities:

Infrastructure Protection (IP): IP is focused on securing the nation's critical infrastructure through the identification of threats, consequences, and vulnerabilities and through the development of mitigation strategies. Additionally, this activity provides the primary defense against attacks on our nation's critical infrastructure and key resources through robust real-time monitoring and incident response.

Cyber Security and Communications (CS&C): CS&C defends the Nation against virtual or cyber attacks, and incorporates cyber security, promotes operable and interoperable communications for emergency communications. CS&C identifies cyber-based threats, vulnerabilities, and the consequences of successful attacks. It also ensures the availability and interoperability of information technology (IT) and Communications through the National Communications System (NCS) and the Office of Emergency Communications (OEC).

As part of CS&C, the OEC will work closely with NCS, FEMA, other DHS components, and our Federal, State, local, and tribal partners to improve emergency interoperable communications nationwide. The OEC consolidates the Interoperable Communications Technical Assistance Program and the Integrated Wireless Network program to better integrate the Department's emergency communications planning, preparedness, protection, crisis management, and recovery capabilities across the Nation.

United States Visitor and Immigrant Status Indicator Technology (US-VISIT): Through its deployment of biometric capture and watch list matching capabilities to State Department visa-issuing posts worldwide, U.S. air, land, and sea ports of entry, and U.S. Citizenship and Immigration Services (USCIS) immigration benefit offices within the U.S., US-VISIT supports safe and legitimate travel to the United States. It helps prevent document fraud and identity theft that threaten the integrity of the immigration process and the safety of foreign visitors. US-VISIT also provides key information to law enforcement, border officials, and other decision makers about persons they may encounter in the line of duty, thus protecting their safety and that of U.S. citizens.

Risk Management and Analysis Office: The Risk Management and Analysis Office will lead the Department's efforts to establish a common framework to address the overall management and analysis of homeland security risk. This program will develop a coordinated, collaborative approach to risk management that will

allow the Department to leverage and integrate risk expertise across components and external stakeholders.

The Office of Intergovernmental Affairs: Handles communications and coordination activities among State, local, and tribal disciplines across the spectrum of issues confronting all 22 agencies and components of DHS. Daily activities regularly involve contact with, for example, the Coast Guard, Transportation Security Administration, Secret Service, Customs and Border Protection/Border Patrol, USCIS, FEMA—the entire gamut of service providers at DHS—on a host of issues that impact our State and local partners. The Office of Intergovernmental Affairs will liaise with the Secretary, senior DHS leadership and their counterparts across the Nation at the State, local, tribal and territorial levels.

National Protection Planning Office (NPPO): The NPPO will develop doctrine for synchronization of national and regional-level protection plans and actions across Federal, State, local, and private sectors regarding the assessment of both physical and cyber critical infrastructure and key resources. It will develop and coordinate performance metrics to measure progress in reducing the risk to critical infrastructure and key resources. The NPPO will work with other DHS components to synchronize approaches to methodology and develop doctrine for DHS-wide operational planning. This office will perform cross-sector analysis, such as understanding the potential cascading effects from one sector to another, and recommending approaches to reduce impacts. In addition the NPPO will work across jurisdictions and across borders.

Preparedness Progress to Date

Mr. Chairman I understand the importance of this Subcommittee having the most current, up-to-date information and I would like to highlight for you some important progress made by the Preparedness Directorate as we transition into the NPPD.

Risk Analysis for Grants Process: The Department has made refinements to the data inputs for the risk methodology, taking into account expert judgment, and feedback from Federal, State, and local partners—all with the goal of better understanding risk associated with populations and critical infrastructure.

For example, for critical infrastructure, we looked at nine different variables for each of 260,000 assets in 48 asset classes in FY 2006; and in FY 2007 drew upon a comprehensive national process involving States and sector-specific agencies to arrive at a much more concise list of 2,100 nationally critical assets, streamlining the risk analysis used in the grants determination process.

The National Infrastructure Protection Plan (NIPP): The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners. Seventeen Sector Specific Plans have been completed and are currently being reviewed by the Department as part of the NIPP progress.

Chemical Regulation Authority: DHS was given the authority by Congress to implement risk-based security standards for chemical facilities that present high levels of security risk. This new authority will allow the Department to recognize the significant investments that responsible facilities have made in security, and the ability to ensure that high-risk facilities have adequate safeguards in place.

Buffer Zone Protection Plans: In 2006, 58 percent of identified critical infrastructure had implemented Buffer Zone Protection (BZP) Plans, up significantly from our FY 2005 percentage of 18 percent. The Department worked in collaboration with State, local, and tribal entities by providing training workshops, seminars, technical assistance and a common template to standardize the BZP plan development process.

Cyber Security and Communications (CS&C): DHS' CS&C is aligning to form a cohesive organization to ensure the security, resiliency, and reliability of the Nation's cyber and communications infrastructure in collaboration with multiple public and private sectors, including international partners. Under CS&C the Department has expanded its focus on critical cyber exercising, grants, and management activities.

Interoperability: In December, DHS released the findings of the national baseline survey, which was the first-ever nationwide assessment of interoperability across our country. We engaged more than 22,000 State and local law enforcement, fire response, and emergency medical service agencies in developing the baseline. The results of the survey show that two-thirds of first responder agencies report using communications interoperability to some degree in their operations. While this is promising, the results also demonstrate that while the necessary technology is largely available, much work needs to be done in the areas of governance, standard

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operating procedures, training and exercises, and usage. In addition, this baseline survey:

- Determined the capacity for interoperable communications among law enforcement, fire, and EMS agencies across the Nation;
- Established a process and mechanism to facilitate regular measures of communications interoperability;
- Generated data to help emergency response agencies make better-informed decisions about how to most effectively allocate resources for improving communications interoperability; and
- Gathered information to inform future efforts for education, incentives, and planning needed to continue improving interoperability capabilities across the country.

Tactical Interoperable Communication Scorecards: DHS issued scorecards for the 75 largest Urban/Metropolitan Areas. These scorecards measured the ability of Urban/Metropolitan Areas to provide tactical (within one hour) communications capabilities to first responders. This process included the creation of a Tactical Interoperable Communications Plan peer evaluation, full-scale exercise, and after action reports. Key findings include:

- Policies for interoperable communications are now in place in all 75 urban and metropolitan areas;
- Regular testing and exercises are needed to link disparate systems effectively to allow communications between multi-jurisdictional responders (including State and Federal); and
- Cooperation among first responders in the field is strong, but formalized governance (leadership and strategic planning) across regions has lagged.

The **Nationwide Plan Review:** DHS completed visits to 131 sites (50 States, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, States and urban areas to identify deficiencies and improve catastrophic planning.

Collaboration with the Private Sector: DHS has engaged the private sector on a number of preparedness and risk mitigation strategies:

International Cooperation: Partnerships with the World Bank, World Economic Forum, and United Nations on forums focused on public-private partnerships in disaster risk reduction.

DHS also engaged with key allies on cyber security information sharing, as well as other multilateral and international standards organizations such as the Asia Pacific Economic Cooperation, Organization of Economic Cooperation and Development, and International Telecommunication Union, to raise awareness about cyber security and telecommunications standards.

Ready.gov Business: DHS collaborated with the business community on Emergency and Business continuity planning, and on private sector preparedness.

Chief Information Office: Last year the Preparedness Directorate was faced with the Department-wide challenge of bringing all of the IT systems within the Directorate into compliance with Federal Information Security Management Act (FISMA) requirements. The effort to reach FISMA compliance required a full-scale remediation effort to achieve security certification and accreditation for the complete inventory of Preparedness systems. The Preparedness FISMA grade went from being just 8% compliant in June 2006, to 99 percent compliant in October 2006.

This type of progress is significant, but I think we all agree that there is more to do—as we all desire a safer, more secure America. Organizational changes within the Department withstanding, **this mission remains unchanged.**

Change is never easy and one thing that we intuitively know about this environment that we find ourselves in today is it is anything but static. We are building on the significant momentum realized and progress achieved, to promote the ideals of what the Department was established to do—provide for the protection of America and those who live within its borders.

Closing

Mr. Chairman, events such as Hurricane Andrew, the Midwest Floods, the bombings of the World Trade Center and Murrah Federal Building, and more recently September 11th and Hurricane Katrina have granted professionals across the Federal interagency community, as well as at State, and local levels an immense amount of experience in managing response and recovery efforts.

Traditionally, response and recovery involves dealing with defined aspects of an emergency, such as location, size and scale of damage, number of people involved, facilities and infrastructure affected.

Prevention and protection present a much more nebulous and imprecise environment.

Therefore, it necessitates an approach to securing our nation that includes the broadest range possible for the full 21st century continuum of risk. NPPD's strategic risk management responsibility encompasses a large spectrum of risk, which includes both economic ramifications and risk to human life. It is not confined to physical borders or corporeal infrastructure.

And at the end of the day—whether our threat comes from our enemies abroad or at home, or from nature, the American people expect that local, State, and Federal government and the private sector are going to cooperate to deal with the challenges that confront them. These early stages of coordinating the expansive spectrum of risk for protecting the Nation will help to catalyze a national transformation for how we prepare America for the risks of the 21st century.

I would like to thank the Subcommittee for its time today and I welcome your perspective on the themes I have articulated.

Mr. CUELLAR. Thank you again for your testimony and being here with us.

I now recognize Mr. Matt Jadacki, deputy inspector general of the Office of Disaster Assistance Oversight, to summarize his statement for 5 minutes.

And welcome.

STATEMENT OF MATT JADACKI, DEPUTY INSPECTOR GENERAL, DEPARTMENT OF HOMELAND SECURITY

Mr. JADACKI. Good morning, Mr. Chairman, members of the subcommittee. Thank you for the opportunity to discuss FEMA reforms and its major?challenges.

It was DHS's failures after Hurricane Katrina ravaged the Gulf Coast that brought to light to Congress and the general public some of the longstanding problems within FEMA. Many of the problems existed for years but had not received attention, because FEMA had never before dealt with such a devastating disaster.

Today, I will highlight some of the management challenges FEMA needs to address in order to successfully implement the congressional reforms, improve its response and recovery capabilities, and meet the needs of American citizens in times of crisis.

We cannot overlook that FEMA is still recovering from the effects of the Gulf Coast hurricanes. As a result of the disaster, FEMA's systems were strained and experienced staff left in droves, while workloads increased. These strains continue today.

However, FEMA has embarked on a number of internal assessments to improve its operations. Staff levels have increased, and, more importantly, FEMA is establishing a solid management team, with extension emergency management experience to implement these reforms.

Is FEMA making progress? Yes, but much more needs to be done.

The Gulf Coast hurricanes revealed shortcomings in FEMA disaster relief operations and programs, including disaster housing, mission assignments, grants and acquisition management, the National Flood Insurance Program, internal controls, fraud detection and prevention programs, and command and control issues under the National Response Plan.

My testimony addresses these areas, but there are many additional challenges facing FEMA that will require considerable effort and resources.

One of the most significant problems FEMA faced in the aftermath of Hurricane Katrina was assisting, sheltering, and evacu-

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ating housing evacuees. Never before have so many people been displaced for such an extended period of time.

FEMA's existing programs were inadequate, and efforts to house victims in travel trailers and mobile homes were not well-managed. The number of victims also overwhelmed FEMA's system for verifying identities and providing individual assistance payments. The result of FEMA's efforts to speed up the process resulted in widespread fraud.

In February 2006, we reported on weaknesses in FEMA's registration intake controls and made recommended actions to improve them. FEMA has improved the intake process and increased systems capability, but the changes are untested and may not be sufficient to address existing deficiencies. We will continue to work with FEMA to find solutions to be better prepared.

FEMA also faces significant challenges in management oversight of its disaster assistance grants program, as well as the DHS grants program that will become part of FEMA on April 1, 2007. Compounding the challenge or that grant programs of other federal agencies that assist states and local governments in improving their abilities to prepare for, respond to, and recover from acts of terrorism or natural disasters.

Congress continues to appropriate and authorize funding for grant programs within and outside DHS for similar, if not identical, purposes. We have identified at least 36 federal assistance programs that may duplicate FEMA's grant programs.

As part of its expanded role and responsibility for grants management, FEMA must coordinate and manage grants that are stove-piped for specific, but often related, purposes to ensure that the grants are contributing to our national preparedness goals and recovery from disasters, rather than duplicating one another or being wasted on low-priority capabilities.

Acquisition management involves more than just awarding a contract. It is critical to fulfilling a mission need through a thoughtful, balanced approach, that considers cost, schedule and performance. The urgency of FEMA's mission will continue to place demands on its ability to effectively manage acquisitions.

In 2006, FEMA spent a large percentage of its budgets on contracts. We have focused substantial efforts on FEMA's contracting and have identified numerous problems. FEMA is not well-prepared to provide the kind of acquisition support needed for a catastrophic disaster, due to inadequate acquisition planning and preparation for many critical needs, lack of clearly communicated acquisition responsibilities among FEMA and other federal agencies, and insufficient numbers of acquisition personnel to manage and oversee contracts.

The National Flood Insurance Program has issues, also. As a result of the Gulf Coast flood, the National Flood Insurance Program paid claims in excess of $20 billion, most of which was borrowed from the Treasury Department. Heavy borrowing, financial uncertainty, outdated flood maps, and other problems continue to plague the program.

In addition, the National Flood Insurance Program is now on the Government Accountability's high-risk list.

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Fraud prevention and detection, in the wake of Hurricane Katrina, information sharing was poor to nonexistent. There is a need for data-sharing in three areas: real-time data exchange among the agencies to simply the application process to victims and to help identify eligibility of applicants for disaster assistance; direct access to FEMA data by law enforcement agencies to identify and track convicted sex offenders and suspected felons, and help locate missing children; and computer matching to help prevent duplicative programs and identify fraud.

FEMA is moving in the right direction on these issues. And I look forward to talking about that.

In summary, the management challenge that I have described above are not all-inclusive. Integrating the preparedness programs, meeting the reporting requirements of Congress, improving accountability, increasing transparency, and building a solid logistics capability are also critical improvements that will require significant resources and effort.

FEMA leadership is making progress is resolving these challenges. We will continue to review FEMA's progress, help it focus on critical issues, and facilitate solutions to significantly improve its ability to carry out its mission and to coordinate disaster response and recovery efforts.

Mr. Chairman, this concludes my prepared remarks. I will be pleased to answer any questions you or other subcommittee members may have.

[The statement of Mr. Jadacki follows:]

PREPARED STATEMENT OF MATT JADACKI

Good morning, Mr. Chairman and Members of the Subcommittees.

My name is Matt Jadacki. I am the Deputy Inspector General for Disaster Assistance Oversight in the Office of Inspector General for the Department of Homeland Security (DHS). Thank you for the opportunity to discuss the major management challenges facing the reform of the Federal Emergency Management Agency (FEMA).

With the creation of DHS in 2003, FEMA was absorbed and became part of the Emergency Preparedness and Response Directorate. In the aftermath of the 2005 Gulf Coast Hurricanes, FEMA received much criticism for its handling of the disaster. To address perceived deficiencies, Congress passed the Post-Katrina Emergency Management Reform Act of 2006 as Title VI of the FY 2007 Homeland Security Appropriations Act. These management reforms enhanced FEMA's mission and role as the federal government's disaster coordinator.

The legislation transfers most Preparedness functions and programs to FEMA. Preparedness is one of the cornerstones of emergency management at the federal, state, and local level. The new legislation enables FEMA to restore the nexus between emergency preparedness functions, and response, recovery, and mitigation efforts. Together with this reorganization, a renewed focus on an all-hazard approach to disaster management will strengthen FEMA's ability to effectively prepare and respond to future natural or man-made disasters.

The Reform Act also elevated FEMA's standing in DHS and afforded FEMA statutory protections as a distinct entity in the Department by preventing transfers of FEMA assets, authorities, personnel, and funding. We believe this is a step in the right direction. However, along with the increased responsibilities come additional burdens to FEMA's infrastructure, particularly its support organizations.

FEMA is still recovering from the effects of the Gulf Coast hurricanes. FEMA's systems were strained as a result of the disaster and experienced staff left in droves while workloads increased. These strains continue, but FEMA is making progress. FEMA has embarked on a number of internal assessments to improve operations. Staff levels have increased and, more importantly, FEMA is establishing a solid management team with extensive emergency management expertise to implement reforms. In addition, improvements to information systems are planned and Congress has provided additional funding to enable FEMA to carry out its mission.

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My testimony discusses a number of management challenges FEMA needs to address in order to successfully implement the reforms, improve its response and recovery capabilities, and meet the needs of American citizens in times of crisis.

Management Challenges

DHS's failures after Hurricane Katrina ravaged the Gulf Coast on August 29, 2005, illuminated longstanding problems within FEMA. Many of the problems existed for years, but had not received attention because FEMA had never before dealt with such a devastating disaster. The total cost of Federal response and recovery efforts could reach $200 billion or more. The Gulf Coast hurricanes revealed that FEMA has shortcomings in managing assistance and housing for evacuees, information systems, contracts and grants, and implementing the National Flood Insurance Program. We are planning additional work to assess FEMA's readiness to respond to future catastrophic disasters.

DHS, including FEMA, has learned many lessons from Katrina and has taken steps to improve their ability to respond to catastrophic disasters in the future. For example, DHS and its Federal partners revised the Catastrophic Incident Supplement to the National Response Plan to establish a better-coordinated strategy for a federal response to a catastrophic disaster. In addition, FEMA is working to improve its ability to house large numbers of evacuees and supply commodities to disaster victims more quickly. However, these catastrophic housing and logistics plans must be thoroughly tested and exercised before the next disaster strikes.

Disaster Housing

One of the most significant problems FEMA faced in the aftermath of Katrina was assisting, sheltering, and housing evacuees. Never before had so many people been displaced for such an extended period of time. FEMA's existing programs were inadequate and efforts to house victims in travel trailers and mobile homes were not well managed. The number of victims also overwhelmed FEMA's system for verifying identities and providing individual assistance payments. The result of FEMA's efforts to speed up this process resulted in widespread fraud. In February 2006, we reported on weaknesses in FEMA's registration intake controls and recommended actions to improve them. FEMA has improved its intake process and increased the system's capacity, but the changes are untested and may not be sufficient to address existing deficiencies. We will continue to help FEMA find solutions to be better prepared for the next catastrophic disaster or even multiple disasters.

In response to Katrina, FEMA purchased more than 24,000 mobile homes, 143,000 travel trailers, and 1,700 modular homes. The current inventory at staging areas is 63,597 units. Some of the modular homes were not well maintained and deteriorated over time. There are currently 91,402 trailers and mobile homes occupied by disaster victims. Some of the modular housing units have been sold and FEMA is considering selling others through the U.S. General Services Administration. As disaster victims return to permanent residences, hundreds of mobile homes/travel trailers are returned to FEMA each week. Because of the deactivations and excess inventory, FEMA is running out of storage space and is considering options to donate and/or sell the units.

Mission Assignments

To help with response to Hurricane Katrina, FEMA issued approximately 2,700 mission assignments totaling about $8.7 billion to Federal agencies. FEMA historically has had significant problems issuing, tracking, monitoring, and closing mission assignments. FEMA guidance on the assignments is often vague, and agencies' accounting practices vary significantly, causing problems with reconciling agencies' records to FEMA records. FEMA has developed a number of new pre-defined mission assignments to expedite some of the initial recurring response activities. In addition, FEMA's Disaster Finance Center is working to find a consensus among other Federal agencies on appropriate supporting documentation for billings. We are conducting a review of mission assignments to DHS agencies, and other Inspectors General are reviewing mission assignments to their respective agencies.

Grants Management

FEMA faces a significant challenge in management/oversight of its disaster assistance grant program as well as the DHS grant programs that will become a part of

FEMA on April 1, 2007. Compounding the challenge are the grant programs of other federal agencies that assist states and local governments in improving their abilities to prepare for, respond to, and recover from acts of terrorism or natural disasters. Congress continues to appropriate and authorize funding for grant programs within and outside of DHS for similar, if not identical, purposes. We have identified at least 36 federal assistance programs that may duplicate FEMA grant programs. As part of its expanded role and responsibility for grants management, FEMA must coordinate and manage grants that are stovepiped for specific, but often related purposes to ensure that these grants are contributing to our national preparedness goals and recovery from disasters, rather than duplicating one another or being wasted on low-priority capabilities.

Given the billions of dollars appropriated annually for disaster and non-disaster grant programs, FEMA needs to ensure that grants management internal controls are in place and adhered to, and that grants are sufficiently monitored to achieve successful outcomes. FEMA also needs to ensure that, to the maximum extent possible, disaster and homeland security assistance goes to those states, local governments, private organizations, or individuals eligible to receive such assistance and that grantees adhere to the terms and conditions of the grants awards. Regarding its management of first responder grants, FEMA will need to build upon the Preparedness Directorate's efforts to refine risk-based approaches to awarding these grants to ensure that areas and assets representing the greatest vulnerability to the public are as secure as possible. FEMA must incorporate sound risk management principles and methodologies to successfully prepare for, respond to, recover from, and mitigate acts of terrorism and natural disasters.

Acquisition Management

Acquisition management involves more than just awarding a contract. It is critical to fulfilling a mission need through a thoughtful, balanced approach that considers cost, schedule, and performance. The urgency of FEMA's mission will continue to place demands on its ability to effectively manage acquisitions. In 2006, FEMA spent a large percentage of its budget on contracts. We have focused substantial effort on FEMA's contracting and have identified numerous problems. FEMA is not well prepared to provide the kind of acquisition support needed for a catastrophic disaster. FEMA's overall response efforts suffer from:

- Inadequate acquisition planning and preparation for many crucial needs;
- Lack of clearly communicated acquisition responsibilities among FEMA, other federal agencies, and state and local governments; and
- Insufficient numbers of acquisition personnel to manage and oversee contracts.

FEMA is making progress establishing pre-disaster or standby contracts for goods and services required in the aftermath of a major disaster. When the federal government procures goods and services after such an event, opportunities for open competition are limited, as is all too often its ability to get the best possible prices. There were numerous and widely publicized sole source and limited competition contracts after Hurricane Katrina. While FEMA eventually recompeted most of the major contracts, it needs to continue its efforts to establish competitive contracts for the next catastrophic event.

We recently reported that FEMA hastily awarded a $100 million contract to establish base camps in the gulf area to house and feed response workers. Because of a shortage of trained and experienced contracting staff, unclear contract terms and conditions, and other problems with the contract, there were contractual deficiencies, excessive billings, and questionable costs of $16.4 million.

FEMA did not place enough contracting staff in the field offices to handle the enormous workload necessitated by Hurricanes Katrina and Rita. Contracting officials were responsible for the administration and oversight of numerous large-dollar contracts over a wide geographical area. Contracting staff rotated in and out of field offices, resulting in inconsistent instructions to contractors and haphazard contract administration. Contracting personnel were often inexperienced, and their performance reflected the lack of proper training to perform assigned responsibilities, especially in a high-volume, emergency environment. Some contracting officers were not experienced in writing the types of contracts needed and were unable to analyze proposed contract costs to ensure reasonableness. Many Contracting Officer's Technical Representative, or COTRs, were too inexperienced to recognize unauthorized and excessive billings and poor or unauthorized contract performance.

FEMA has already made improvements to their contracting capability, such as increasing the number of standby contracts in place and ready to be executed when disaster strikes. DHS has also created a Disaster Response/Recovery Internal Con-

trol Oversight Board to address many of the problems. In addition, FEMA has begun a hiring initiative aimed at restoring staff levels to 90 percent of capacity. FEMA recently reported that it plans on hiring 41 new employees for its procurement division.

Additional Acquisition Challenges

We will soon conduct a review of FEMA's overall acquisition management structure to identify improvements that can make FEMA better prepared for the next catastrophic disaster. Much of our work will focus on the following areas:

- *Organizational Alignment:* In the transition into DHS, seven agencies, including FEMA, retained their procurement functions. DHS established an eighth acquisition office, the Office of Procurement Operations, under the direct supervision of the Chief Procurement Officer, to service the other DHS components and manage department-wide procurements. Until recently, FEMA had an unusual procurement structure with two heads of contracting activity. This structure created redundancy and inefficiency.
- *Policy and Guidance:* FEMA has not had an active Policy Office since 1999. This has been a major barrier to the successful, cohesive acquisition operations. Interpreting, implementing, and monitoring acquisition policy are essential functions. They ensure that the organization complies with law and policies. The absence of current policy and standardized performance measures make it difficult to establish where the agency stands when compared to other federal agencies.
- *Acquisition Workforce:* Hundreds of staff left after Hurricane Katrina struck. FEMA now has a campaign to hire a large number of qualified replacements. The individual assistance and technical assistance section of FEMA has recently completed its hiring effort. After such a large expenditure of staff, time, and resources to hire the right individuals, retention is crucial. Hurricane season is approximately 4 months away, and these new employees must be able to function effectively by that time.
- *Knowledge Management and Information Systems:* Outdated and non-existent information technology tools are another of FEMA's management challenges. FEMA does not have an IT strategy that addresses the needs of the agency—particularly with regard to workflow routing, financial management, and document management. The lack of a DHS-wide IT strategy has forced early technology adopters within the acquisition community to create job aids that are not shared and deliver varying levels of support. This situation has forced each DHS Head of Contracting Activity (HCA) to develop an IT standard applicable only at their organization. This allows for discretion, which can be an empowering force yet, at times, can be contrary to overall Department-wide mission and goals.

To improve the overall acquisition management functions, FEMA needs to address the conditions described above. We will advise FEMA as our work continues and offer recommendations for improvement.

National Flood Insurance Program

Floods are among the most frequent and costly of all natural disasters. They result in the loss of many lives and much property each year. FEMA is now faced with National Flood Insurance Program (NFIP) issues ranging from outdated flood maps to the question of whether damages are the result of flooding from storm surge or hurricane winds. Many NFIP related questions need to be addressed before the next catastrophic flood.

As a result of Hurricanes Katrina, Rita, and Wilma, the NFIP paid claims in excess of $20 billion most of which was borrowed from the Treasury. Heavy borrowing, uncertain financial solvency, outdated flood maps, and other problems continue to plague the program. In addition, the NFIP is now on the Government Accountability Office's (GAO) high-risk list. We have several ongoing or planned NFIP reviews and will continue to monitor activities under this program.

Information Technology

FEMA made progress in several IT areas, particularly short-term adjustments to prepare for the 2006 hurricane season. These improvements focused primarily on increasing National Emergency Management Information System (NEMIS) capacity and online system access and strengthening verification of registration data. NEMIS

is the enterprise-wide automated system that integrates hardware, software, telecommunications, applications software, and operational procedures to handle the processing and management of disaster victim assistance to individual citizens and public assistance. FEMA and its program offices have addressed our recommendations by documenting training resources, developing a plan to implement an enterprise architecture (EA), gathering requirements for new business tools, and improving configuration management.

Despite these positive steps, FEMA has not documented or communicated a strategic direction to guide long-term IT investment and system development efforts. FEMA also has not performed crosscutting requirements gathering to determine business needs, which would allow Information Technology Services Division (ITSD) personnel to analyze alternatives to customize NEMIS. We note several resource challenges FEMA faces in accomplishing these tasks, including personnel needs, time limitations, and funding constraints. For example, high-level officials acknowledged the need for staff who can effectively and efficiently manage system development efforts, especially as key personnel are allocated to assist in disaster and emergency response activities. Further, FEMA officials told us that funding constraints have also prevented the creation of sufficient training and testing environments. Therefore, constrained by limited resources, FEMA focused its efforts on short term fixes, e.g., preparing for hurricane season, and has made little progress in addressing long-term needs, such as updating strategic plans, defining cross-cutting requirements, and evaluating systems alternatives.

Fraud Detection and Prevention

In the wake of Hurricane Katrina, information-sharing was poor to non-existent. There is a need for data-sharing in three areas: (1) real-time data exchange among agencies to simplify the application process for victims and to help verify eligibility of applicants for disaster assistance; (2) direct access to FEMA data by law enforcement agencies to identify and track convicted sex offenders and suspected felons, and help locate missing children; and, (3) computer data matching to help prevent duplicative payments and identify fraud. FEMA is moving in the right directions on these issues. For example, FEMA has granted direct access to its data to the Hurricane Katrina Fraud Task Force for the purpose of investigating fraud. However, progress is slow and much remains to be done. FEMA and the federal community are not yet ready to meet the data sharing requirements of the next catastrophic disaster.

Congress provided approximately $85 billion dollars to multiple federal agencies for Gulf Coast disaster response and recovery. In the area of housing there were four primary agencies that provided housing assistance: DHS, U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture (USDA), and U.S. Department of Health and Human Services (HHS). A recent USDA audit revealed that more than 44% of disaster victims received housing assistance from more than one federal agency. GAO estimated that DHS improperly disbursed between $600 million and $1.4 billion in disaster assistance after Hurricanes Katrina and Rita.

The Computer Matching and Privacy Protection Act, which establishes procedural safeguards for computerized matching of Privacy Act-protected information, impeded federal Inspectors General from immediately performing computer matching to identify Hurricane Katrina disaster assistance fraud because of the review and approval process. Computer matching is the automated comparison of two computerized databases. Computer Matching can be used to identify relationships that indicate possible instances of fraud. In contrast to manual searches, computer matching allows auditors to quickly and inexpensively analyze massive volumes of data. If Inspectors General had been empowered to match their agency's respective disaster assistance files with those of others providing assistance in the aftermath of Hurricane Katrina, they could have helped mitigate improper payments and identify and recover erroneous payments in a timely manner.

The President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency reported to Congress that the requirements of the Computer Matching and Privacy Protection Act hindered several proactive fraud investigations relating to Hurricane Katrina from being initiated. A computer matching agreement generally takes several months to execute, thereby forcing law enforcement, including the Hurricane Katrina Fraud Task Force, to rely on manual searches within numerous disaster assistance databases to help detect fraud.

An exemption for federal law enforcement agencies, including Inspectors General, from the Computer Matching and Privacy Protection Act to support efforts to identify and prevent fraud, waste, and abuse following a disaster should be considered

by Congress. Such an exemption would greatly facilitate the efforts of the federal law enforcement community to obtain and analyze federal disaster assistance records for the purpose of promoting integrity in federal disaster assistance programs and facilitate the detection, prevention, and prosecution of disaster benefit fraud.

Review and Revision of the National Response Plan

The National Response Plan (NRP) is being extensively revised to incorporate lessons learned from the response to Hurricane Katrina. We have observed a genuine effort to reach out to all stakeholders, both public and private, to invite participation in the review and revision process. Our primary concern, however, is the ambitious timetable to complete the revisions by June 2007. Ultimately, the result of this effort cannot be measured until the revised NRP is fully exercised or used during a large-scale disaster.

In our *Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina* (OIG–06–32), we reported that there was confusion at the Federal, State, and local level regarding the NRP and the Incident Command Structure and who was in charge. We recommended a clarification of the roles of the Principal Federal Official, the Federal Coordinating Officer, the Federal Resource Coordinator, and the Disaster Recovery Manager, to provide a clear distinction for the types and levels of response activities for each position or combination of positions and the type of events that would warrant their engagement. Further, we recommended that these officials be provided with the necessary training to complement their qualifications for serving in these positions. These recommended changes are critical to create an efficient and cohesive response to a catastrophic event.

Based upon two recent audits undertaken in relation to Hurricane Katrina and the NRP, we offered two primary suggestions to the NRP/NIMS Steering Committee:

- Address *Public Safety and Security* in both the Catastrophic Incident Annex and the Catastrophic Incident Supplement to further describe the operational strategy that guides the delivery and application of Federal law enforcement capabilities and resources for public safety and security during disasters.
- Describe the role of federal Inspectors General in the NRP's Financial Management Support Annex and note that FEMA may designate as oversight funds up to one percent of the total amount provided to a Federal agency for mission assignment.

We will continue to monitor and advise FEMA as it makes the necessary revisions to the NRP.

The management challenges I have described above are not all inclusive. Integrating Preparedness programs, meeting the reporting requirements of Congress, improving accountability, increasing transparency, and building a solid logistics capability are also critical improvements that will require significant resources and effort. FEMA leadership is making progress in resolving these challenges. We will continue to review FEMA's progress, help it focus on critical issues, and facilitate solutions to significantly improve its ability to carry out its mission to coordinate disaster response and recovery efforts.

Mr. Chairman, this concludes my prepared statement.

I will be pleased to answer any questions you or other Committee Members may have.

Mr. CUELLAR. All right, thank you very much for being here, for all three of you all.

Again, I thank all the witnesses for their testimony. I will remind each member that he or she will have 5 minutes to question the panel to make sure everybody has an opportunity to go through the process, including the members that are not part of the committees, that we have consented to allow them to ask those questions.

At this time, I will now recognize myself for questions.

The purpose of the FEMA—this goes to Mr. Paulison?the purpose of the FEMA reform legislation enacted last fall was to strengthen FEMA's organizational capacity for both preparedness and response. Effective preparation and response requires effective part-

nership. The partnerships among federal agencies, as outlined in the National Response Plan, and among federal, state and local governments, including nonprofit entities such as the Red Cross and, of course, the private sector.

Mr. Paulison, has FEMA clearly defined the roles, the responsibilities, and the expected outcomes for each of the organizational components, as well as your partners, under this new organizational structure that we have set up?

Mr. PAULISON. I think the question you laid out is right on target and very apropos for what we are talking about. The developing partnership is one of the most important things that this organization has to do, and we are in the process of doing that.

The fact that we only had two of our regional directors' offices filled when I took over this organization created a lack of that partnership-building out in the regions, where, like I said earlier, the rubber meets the road.

The people we brought into manages these regions, people have decades of experience in dealing with emergency management, and they have very clear direction from me that they are to be out on the road developing these partnerships, not only with the state organization, but the other federal agencies that are in their region.

And we are doing the same thing here in Washington. We are developing partnerships inside of DHS. Mr. Foresman and I have been working very closely together in this transition, but also with other agencies that have been kind of distant to us in the past.

We have put pre-scripted mission assignments in place with the Department of Defense, Health and Human Services, Department of Transportation, all those other agencies that we have to deal with. We know very clearly that we have to have a solid relationship with them.

The last place you want to develop relationships is in the middle of a disaster. They have to be done ahead of time, and that is what we are doing.

Mr. CUELLAR. Okay. Thank you very much.

Mr. Jadacki, I am going to ask you to respond in a second, but let me ask my second question. And this goes to the undersecretary, again, Mr. Foresman.

As a former homeland security director for Virginia, you served as a member of the Homeland Security Advisory Council task force on state and local homeland security funding.

The task force recommended the department develop an automatic grant tracking system that would allow for tracking of the distribution and the use of homeland security-related funds. And you and I have talked about our state experience. And I think some of the members here also have the state experience.

When you testified before this committee last March, you mentioned that the department was in the process of creating such a system. Can you please tell me if this new grant tracking system has been deployed, so we can all see exactly where the grant funding is in the allocation process?

Mr. FORESMAN. Mr. Chairman, thank you for the question. And it has not yet been deployed.

And one of the things internal to the department and the whole idea being amalgamating all of the grant activities across the de-

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partment, Dave experienced prior to moving into his current job, when he was the U.S. fire administrator. We had fire grants that were administered through a grants management activity in the department. We had an existing relationship with the Department of Justice to administer many of our homeland security grant programs.

We continue to work the effort with the chief information officer inside of the department. But we are not yet ready to go primetime with that, and that is one of the things that Dave and I have talked about, as we go through this transition.

There is infrastructure in place. It is just a matter of change. Now, this is going to have a big impact on states, too, because we have to be able to move the money through the normal linkages, down to the state treasuries. And it is not as simple as saying we are going to put a new grants management tracking system in place and it gets done overnight.

I will just mention very briefly that the other piece that we have is not only at the federal level, but at the state and local level, because I think one of our biggest frustrations that we probably collectively share between the executive and legislative branch is to have real-time data, in terms of the actual rate of expenditures and reimbursements, remembering that the majority of these are reimbursement-based programs, to have an actual level of understanding of where we are on any given day.

Mr. CUELLAR. Okay. We certainly want to sit down and talk to you, to see what we can do to help you move the process, because I think, for a lot of members, especially the ones that have served at the state level, understand why this is very important. So we do want to follow up.

And, again, on a comment period from Mr. Jadacki, can you just briefly respond on both of the questions that I just gave, I mean, I just asked?

Mr. JADACKI. Yes. First, in my opening statement, my written testimony, the concern with the support for the grants management, as well as other support organizations, as these new programs come in, there is a lot of responsibility on the back end.

Once the grants are awarded, it is a reimbursable process. People need to keep an eye on what the money is being spent on, looking out for the safeguards, whether there is fraud, waste, abuse involved in some of those programs, too. There is financial considerations and reconciliations that need to be done.

FEMA currently has, in the disaster area alone, even in the Gulf area, about 30,000 new grants for public assistance-type activities. You take that and combine it with the new grants coming in from the preparedness, it is going to create an enormous burden on the staff of FEMA overseeing these grants.

And, you know, if we don't have those safeguards in place, we are not doing the oversight that is needed, then it becomes a potential for some problems later on.

Mr. CUELLAR. Okay. I was just asking members, because I do want to follow up on this. And we are going to set up a meeting later on, on this specific issue, with the indulgence of all the members.

And certainly, Mr. Jadacki, we want to sit down and, again, sit down on how we can make this work on this, because this is a very important issue to us.

At this time, I would like to recognize the ranking member of the Subcommittee on Emergency Communications, Preparedness and Response, the gentleman from Pennsylvania, Mr. Dent, for questions.

And then, after that, instead of going—I am sorry, Mr. Dent, but I think you are going to give your time over to Mr. Rogers?

Mr. DENT. We will swap.

Mr. CUELLAR. You are going to switch the time.

Mr. ROGERS. I thank the chairman for accommodating my schedule.

And I thank the gentleman from Pennsylvania, as well.

Let's cut right to it. You all heard my opening statements. I am interested in CDP and Noble training facility merger. Tell me about the status, please.

Mr. PAULISON. Actually, the merger will work very well. Both of them are on the same campus. The Noble Training Center will report into CDP.

As you know, I put the Noble Training Center together while I was the U.S. fire administrator. I also spent quite a bit of time at CDP, after touring the site back when I was a fire administrator, when we thought we were going to manage that at that particular time.

So the merger is going to go well. They are pretty much side by side. There is a lot of economies of scale I think we can develop, by using the same contractors, sharing facilities, doing things like that.

They do two different things. One is more of an education piece. The other is more of a training piece, like you said, with first responder training. But the only live agent training place that we have that is as robust as that is, it is being funding well, and it is going to operate well. We are excited about the merger.

Mr. ROGERS. Do you have any idea about how we can expand those services off campus more? Is there any plan in place to do that? As you know, my district is very rural, as many districts are, and they are primarily covered by volunteer fire departments and rescue squads.

And while the Center for Domestic Preparedness is a wonderful resource for professional departments to send personnel, a lot of these volunteers can't take time off from their cotton mill job to go up there and spend a week for training. So are there any plans to be more aggressive in outreach?

Mr. PAULISON. There is several plans that have been going on for a while, even before we were inheriting some of these processes, just at National Fire Academy.

We know that most of the classes there were two weeks, and we know it is extremely difficult, not only for volunteers and smaller departments, but even some of the bigger departments, to let their officers go for that amount of time, so we have cut those classes down to one week, where they do a week at home over the Internet, and then come to the campus for a week.

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And then, also, for some of the smaller departments, we have what we call weekend classes for the volunteers to come in. We will have state classes, where a particular state sends people in to train in a very compressed, short amount of time.

We can take a lot of that on the road. We turned all of our training materials over to state agency to train there and still get the same credit. The difficult one is going to be what CDP does with live agent training. That has to be a very controlled environment.

Mr. ROGERS. Yes, I understand that.

Mr. PAULISON. And I am reluctant to take that on the road.

Mr. ROGERS. Tell me about this new National Integration Center. How is it going to oversee CDP? How will that work?

Mr. PAULISON. It is just going to be a process of where they report through the system. That is where most of our training stuff is going to fall, under that area, so I want to have all the training systems that we have in one block.

I think it is going to be helping us to coordinate better, making sure that we are not overlapping training issues, that we are not duplicating what we are training at emergency management institute, at the fire academy, at CDP, at Noble, to making sure we are spending our money as wisely as possible. That is what the oversight is going to be.

Mr. ROGERS. My last question is money, about money. The president's 2008 budget has proposed cutting CDP by $3 million. And the $5.5 million that Noble received this year is not even included in the new merged budget. How are you going to make that work? Is there some effort to change that proposal?

Mr. PAULISON. The $5.5 million for Noble, I understand, was in the 2008 budget. I was just looking at it. I was not familiar with the CDP issue, but I will look at that, and I will brief you privately on that.

Mr. ROGERS. I would love to hear that. Thank you.

And with that, Mr. Chairman, I would like to yield the balance of my time to the gentleman from Pennsylvania as a thank you for his courtesy.

Mr. DENT. Thank you.

Gentlemen, as was mentioned earlier in my remarks, floods cause more damage and economic losses in the United States than any other natural disaster. And flood maps are being used to identify areas at greatest risk for damage and to support mitigation efforts and provide affordable flood insurance.

It is my understanding that flood plains have changed dramatically overtime, but that flood mapping has not kept up with that change. And I guess my main question, Mr. Paulison, is could you please discuss steps that FEMA is taking to update these flood maps?

Mr. PAULISON. Yes, we are very aggressively changing our flood mapping and modernizing those flood maps, taking some that are accurate and changing them to digital so they can be better used on the Internet, and others are actually redoing the mapping itself to making sure they are accurate, because what you said is right on target. A lot of the flood plains have changed.

The other issue we are dealing with is with the certification of a lot of our levees. If a city or area is protected by a levee, and that

levee is certified, we act as if they are not in a flood plain, and then they don't have to have insurance or very minimal insurance.

If that levee is not certified, then our flood management system has to respond as if there was no levee at all. So we are in the process of working with the Corps of Engineers and some of the private levees to make sure those levees are certified.

But I think, to get to your question, we are doing very aggressively trying to map this entire country to making sure we have at least 80 percent of the United States covered with modern flood maps.

Mr. DENT. Well, thank you, and I will save my questions for the next round.

Mr. CUELLAR. Okay. All right. Thank you, Mr. Dent.

This time, I recognize the chairman of the Subcommittee of Management, Investigation, Mr. Carney, for questions.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. Paulison, if another Hurricane Katrina were to strike today, God forbid, what is FEMA certain it could do well, and why? And what key gaps remain, and why?

For example, some problem areas in Katrina were mass care and shelter, evacuation of special needs populations, operable and interoperable communications logistics, and reconciling the need for quick assistance, while protecting against fraudulent claims. How are we coming there?

Mr. PAULISON. We very carefully looked at what didn't work well during Katrina. Based on what I personally saw, my experience dealing with hurricanes over the last 30 years, the reports that came out of Congress, out of the White House, out of the I.G.'s office, our of the GAO—and I could go on for probably several more—but the themes were consistent.

Communications break down, not so much equipment, but processes in place, logistics, not having the right things at the right place at the right time, victim registration, having people in every state in this country, not knowing who they were, where they were, or what their needs were.

So we have looked at those very carefully. The communication piece, we have worked very hard to put together what we call a unified command system, where we will work out of our joint field office to make sure we are all sharing information, and not just at the state and local level, but also inside the federal government itself.

So I know what HHS is doing; they know what we are doing; we know what the Department of Transportation is doing. So if we order buses, we know if they are going to show up or not.

Working with our logistics system, FEMA did not have the right amount of supplies. We now have enough supplies in place in our warehouses to take care of a million people for a week. We have also signed an MOU with the Defense Logistics Agency, which is our back up.

We are also bringing in logistics experts to manage logistics. I am taking it out of operations and having a standalone division. I think it is that important.

We didn't have the ability to track our supplies. I bought 20,000 GPS units and put a tracking system in place, so I can tell the gov-

ernor, right down to the very street corner, where their supplies are, and that is an important business tool for that governor to have and those local communities to have.

And then victim registration. We could not register people as quickly as they were coming out of the city. We now have the capacity to register over 200,000 people a day.

We took five of our mobile command posts and turned those into registration units, where we can out to where people are, instead of expecting them to try to find us. And they are equipped with satellite-based laptop computers, satellite-based cell phones.

So we can actually sit down and say, "Here, call the 1–800–621–FEMA number, and register, or sit down at this table and we will register you for you on this laptop computer." Those are some of the things we have put in place that did not work well at all.

So if we have another Katrina, you are going to see a different type of response. And I know I am taking up a lot of your time, and I think this is important.

The system that we have used in the past of waiting for local government to become overwhelmed before the state steps in and waiting for the state to become overwhelmed before the federal government steps in doesn't work.

We have to go in as partners, and that is what we did in the last?now, the hurricanes in Florida this last month was not a Hurricane Katrina, but we were in that state with supplies before the governor even picked up the phone and asked for them, and that is what we are going to do.

We are going to be a much more nimble, much more leaning-forward organization than we have in the past. Now, we are raising some eyebrows with that, but it is the right thing to do, and that is the way we are going to operate.

Mr. CARNEY. I appreciate the agility with which you are approaching this problem. Mr. Foresman, could you comment on that question, as well? How are we doing?

Mr. FORESMAN. Mr. Chairman, I think we are doing quite well. And, you know, I think the one thing that we get confronted with sometimes is we look insular inside of the beltway to what we are doing to change the organizational structure in the department, realign FEMA.

But I think the broader piece of the challenge that we are going to face over the next 10 years is: What are we doing to reform the whole national approach to how we manage emergencies and disasters?

You know, as Dave has acknowledged, they have made tremendous progress with logistics management, with their coordination structures. But, ultimately, events such as Katrina, several thousand FEMA employees, tens of thousands of federal employees, are not going to replicate or replace nearly 15 million state and local government officials who are out there on the ground.

So I think that, as we continue the national dialogue, we have to look at our whole approach beyond just organizational changes in Washington. And what is it that we want a 21st-century environment to look like?

And then, what are expectations that we are going to set for our partners at the state and local level, as well as the private sector?

Because, frankly, a lot of issues that we have traditionally seen over the years is not because of the inability of government to respond; it is because of the inability of the populace to be prepared so that government doesn't always have to be everything to everybody in the midst of a catastrophic event.

Mr. CARNEY. Thank you. I yield back, Mr. Chairman.

Mr. CUELLAR. Thank you, Mr. Carney—go on next, but I do want to recognize the chairman of the full committee, Mr. Thompson, for him to speak. Thank you.

Mr. Dent?

Mr. DENT. Thanks, Mr. Chairman.

Just to follow up, Mr. Paulison, on the flood maps, when do you expect the flood maps, that they will be accurate, that they will accurately reflect the flood plains? Can you give us some kind of a time line on that?

Mr. PAULISON. I am trying to think—I think it was 2010, but let me get the accurate date for you. And what I would really like to do is to bring our flood mitigation people into your office, and sit down—

Mr. DENT. That is fine.

Mr. PAULISON. —and give you a briefing on where we are on that. And I think it was 2010. My staff are sitting behind me. And correct me if I am wrong. That was our goal, to have about 80 percent of the country finished.

Mr. DENT. I think they are nodding 2010. Okay.

Mr. PAULISON. Again, if that is incorrect, I will get back with you on that.

Mr. DENT. All right.

Mr. CUELLAR. Could you, when you set that up, because I am also interested on this, could you just let us know, so we can at least somebody from my office there?

Mr. DENT. Sure. We would love to have a joint meeting.

Mr. PAULISON. I couldn't hear that.

Mr. DENT. The chairman just asked if his office could be included in that discussion. That is certainly—

Mr. CUELLAR. And any other members—yes, just let the staff work out, and we will—because I think there are a lot of members who are very—

Mr. PAULISON. The more information we can give you, the better. We want this organization to be very transparent, so I would be happy—even coming back in front of the committee, if you would like.

Mr. DENT. Because this is such an enormous issue in my state. Flooding is just huge.

And, also, how is FEMA working with the Natural Resources Conservation Service of the Department of Agriculture to promote the remediation of local streams that flood on a recurring basis?

Mr. PAULISON. Yes, that is one of the groups we are working with, along with the Corps of Engineers and others, as we go through this flood mapping, to make sure that we are working in concert with the flooding issue.

And I think you said it very correctly, that one of our biggest disasters that we have across this country every year is flooding, you know, trying to move people out of the flood plain, trying to better

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mitigate those flood issues, dealing with the streams and rivers that we have. It is a big issue. And we all need to work together. And we are working with them.

Mr. DENT. And it is also my understanding that, while FEMA may have the funds available for stream remediation, it is unable to fix flood damage. And, meanwhile, the National Resources Conservation Service is authorized to fix the damage, but lacks the funding.

And I guess the question is, is that true? And, if so, what can the two agencies do to negotiate an agreement to allow an exchange of funds? And do we need legislation to require that, to enable that kind of cooperation?

Mr. PAULISON. Again, I am not familiar with their budgeting and what funding they have or don't have, but I will get that information to you.

Mr. DENT. That would be great. And I would like to find out, too, if we would actually need legislation—

Mr. PAULISON. Absolutely.

Mr. DENT. —to allow that type of cooperation to occur. And on the issue of medical preparedness, in addition to implementing the reforms in the Post-Katrina Emergency Management Reform Act of 2006, the department's restructuring proposal would also create a new Office of Health Affairs.

What will be the role of the new Office of Health Affairs? And how does this expand upon the current role and responsibilities of—Mr. Foresman, actually, this question is for you.

Mr. FORESMAN. Congressman, two things. One, when we created the chief medical office—when Secretary Chertoff created the chief medical officer's role as part of the 2SR process, it was in clear recognition that there are probably three buckets of medical activity.

Bucket number one is simply occupational health for more than 270,000 federal employees, including law enforcement officers and TSA screeners who are getting hurt every day, and getting this level of consistency across the department on that.

The second piece and the more complex piece of it is, when you look at health and medical preparedness, HHS has a role in it. You talk about pandemic. DHS has the overarching national incident management responsibilities, but HHS is the lead health and medical issues.

Making sure that the coordination between what we do in the department, what other federal agencies, state and local agencies do is absolutely critical. And this office will address that.

And then the third piece, and probably one of the more critical pieces, the grant programs that are administered by the Department of Homeland Security that will now be administered through FEMA, the $16 billion that they have talked about, a large percentage of those have activities that are complementary to the many billions of dollars being administered through Health and Human Services.

So the Office of Health Affairs is really designed to make sure that there is coordination on grants, there is operational coordination between what our programs are doing, and, frankly, gives the secretary, in his overall incident management role, the capability

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to have scientific expertise to translate medical speak into incident management speak, when we have an event going on.

Mr. DENT. Thank you. And I will yield back.

Mr. CUELLAR. Thank you. Thank you, Mr. Dent.

At this time, the chair would like to recognize the chairman of the full committee, the gentleman from Mississippi, Mr. Thompson, for a statement or questions.

Mr. Chairman?

Mr. THOMPSON. Well, I have a full statement for the record, Mr. Chairman. I appreciate your indulgence.

Let me welcome our three guests. Some I see weekly almost.

Mr. Paulison—I have a question, if I might, Mr. Chairman. It speaks to whether or not we have any FEMA contracts with ambulance providers as a backup to any potential emergency over and above the normal response patterns?

Mr. PAULISON. If you recall, we had one last year in Louisiana. That contract has expired. And we are working to look at what we need in place, not only for the southeast United States, but also, do we need something like that for the rest of the country?

I don't want to get into contract specifics right now, to give some stuff away, but we are working on that issue. And it is an issue that we—you know, I can brief you privately instead of publicly on where we are with that particular—what we are going to do with that contract.

Mr. THOMPSON. Well, if you would—

Mr. PAULISON. Yes, sir.

Mr. THOMPSON. —at whatever venue you can provide that, because, if we had the need today, we would not be able to do that.

Mr. PAULISON. I think we would. I know there is no contract in place. But with the relationships that we have with the major ambulance suppliers around the country and the ability to move those resources, I think we could respond.

It is not like we want it to be. We would rather have something solid in place. And that is what we are going to—and we will have something in place before hurricane season.

Mr. THOMPSON. Okay. A couple other issues. One of the issues was that, when people were told after Hurricane Katrina, "Call FEMA, here is the 800 number," they would call, and the line would be busy. How have we resolved that issue?

Mr. PAULISON. That was say a major problem that—and I briefed the committee just before you stepped in.

What we have done, we increased the capacity of our call centers to handle 200,000 people a day, 200,000 calls a day. We would be able to register that many. We have also put systems in place where, if we have a known disaster coming in, like a major hurricane or Katrina, we will preposition people in the congregate shelters to register people as they come in.

But, also, we have taken five of our mobile command posts and turned those into mobile registration centers, where they can literally go out to where people are and register them, if there is no phone service. And like we found out during Katrina, people couldn't get in their cars and drive, because they were underwater.

So we have taken major steps to solve that problem, and it was a big issue.

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Mr. THOMPSON. Let me give you a current issue that is happening in both Mississippi and Louisiana. I am being told that there is a housing initiative being put forth that says, in essence, for those people living in travel trailers, the next step is to put you in some other temporary housing, but it has to be on wheels, rather than a permanent structure. Are you aware of any of that?

Mr. PAULISON. No, sir, I am not. There is nothing inside of FEMA doing that.

Right now, we have about 90,000 families in travel trailers and mobile homes across the Southeast, Alabama, Mississippi, Louisiana, primarily the bulk of those. But there is no plan in place—

Mr. THOMPSON. So beyond the travel trailer situation, FEMA is not involved in any housing initiative.

Mr. PAULISON. The only thing we are doing is working with HUD to find out what we are going to do with people in the long term. You know, we have the people in Houston and the rest of the country that are in apartments. We would like to turn that over to HUD. And we are working to do that.

The ones in the travel trailers, yes, we would like to get them out of there, but there is simply no housing in a lot of those areas. But there is nothing that I am aware of like you are talking about.

Mr. THOMPSON. Well, Mr. Chairman, if I would, Congress allocated a significant amount of money. Are you familiar with the Katrina cottage concept?

Mr. PAULISON. Yes, sir. There was $400 million that Congress allocated. We have put that out for bid, so to speak, amongst the states, and we are working with them now. We picked those projects that we want to fund, and we are working with primarily Alabama and Mississippi.

Mr. THOMPSON. So that is a FEMA project, right?

Mr. PAULISON. That is correct. That is a FEMA fund, yes, sir.

Mr. THOMPSON. All right. That is what I have reference to.

Mr. PAULISON. But it has nothing to do with wheels. It is the projects the state has submitted—

Mr. THOMPSON. I understand. But what I am told is that product that is on the street is proposed as temporary housing, that actually costs more than comparable, permanent housing.

I hope you will look at whatever comes in and make a determination that we are not putting on the street another travel trailer elite, rather than something that taxpayers can get a better bang for their buck. I am told that part of the reference is that this Katrina cottage has to have the ability to have wheels and axels, or something like that, on it.

Mr. PAULISON. That would not be a FEMA initiative at all. If there is anything like that, that would come from the locals or the state that is building whatever they are going to be building. There were several different projects—

Mr. THOMPSON. Well, but it is FEMA money. And if we are going to put another travel trailer situation in, and it cost more than a permanent structure, we have a problem.

And I want you to understand that I am being told in my state that that is what is forthcoming, that it will basically be a glorified travel trailer called the Katrina cottage. As the head of the agency,

I would really want you to look into that and report back to this committee what your findings are.

Mr. PAULISON. Yes, sir. We will do that.

Mr. THOMPSON. Thank you.

Thank you, Mr. Chairman.

Mr. CUELLAR. Thank you, Mr. Chairman.

At this time, the chair will recognize other members for questions that they may wish to ask the witnesses.

In accordance with our committee rules and practice, I will recognize members who were present at the start of the hearing based on the seniority on the subcommittees, alternating between the subcommittee and between the majority and the minority. Those members coming in later will be recognized in the order of their arrival.

At this time, the chair will recognize for 5 minutes a gentlewoman from California, Ms.—oh, I am sorry, the gentleman from Louisiana, Mr. Jindal?

Mr. JINDAL. Thank you, Mr. Chairman. And I thank the chairman of the overall committee, as well, for conducting this hearing.

I want to thank our witnesses, as well. It doesn't surprise anybody, I don't think, that we in Mississippi or Louisiana are intensely interested in the topics raised today. Mr. Paulison, I certainly appreciate your being here and sharing your time, as well as your colleagues.

I have several questions. In my given time, I will try to get through as many of them as I can. I will start first, Secretary Paulison.

To date, FEMA has paid about $4.5 billion in public assistance to Louisiana. Of that, $2.69 billion has gone to the hardest-hit areas, yet there is still $2.4 billion that has not yet been allocated by the state.

I know there are a couple of different types of bottlenecks, one in terms of getting public work orders approved by FEMA, and then secondly getting that money, once it has been sent to the state, to the actual agencies and individuals on the ground.

I know these dollars sound like a lot. On one hand, we can say it is great $2.69 billion has been paid out. On the other hand, there are tremendous needs, whether it is rebuilding schools, whether it is rebuilding public parks and other facilities, whether it is rebuilding a crime lab in New Orleans and facilities, and I suspect my colleague from Louisiana may follow up with some of these examples, as well.

My first question is, what can be done to break both of these bottlenecks so these funds, first, get to the state and then, secondly, from the state to these impacted agencies even more quickly?

Mr. PAULISON. We put an expedited process in place to make sure the public worksheets move much more quickly than they have in the past.

We put a tracking system in place, a Gantt chart-type system, where we can actually track where those public worksheets are. So we move them through our system quickly. And then we allocate the dollars to the state.

Once the state get those dollars, it is up to them to then process it for the local communities, either the cities or the parishes, wherever the project is going on.

We have tried to work with them to help them expedite that process. I know it has been slow. But, again, once we allocate those dollars to the state, it is—and I am not going to say, "It is not my fault." We are not going to do that. We are going to continue to work with them. But it is much more difficult once we give the dollars to them.

Now, the state is being very careful. I mean, they know that my friend sitting next to met at I.G. and the GAO is going to be watching very carefully of how they spend those dollars, so the state is making sure that the dollars are being spent properly, being allocated properly, and being accounted for properly.

And that is, I think, part of the slowdown of the system, from my observation.

Mr. JINDAL. Well, and I don't think any of us certainly wants to encourage fraud or misspending of these dollars. But one of the things we strongly encourage, maybe some kind of combination of you and the I.G.'s offices providing those assurances to the state.

One of the things we continue to hear as their concerns, but what we feel from local officials is they feel like they are duplicating a lot of effort, that they are having to fill out the same forms more than once, and they had assumed, once they had gotten approvals from FEMA, once they negotiated the cost estimates and gotten the preliminary work done, they thought they were done, only to learn they had to start all over.

Once the money had been released to the state, they learned they had to start—and my understanding is that some of these processes are new since Katrina. They weren't in place before Katrina. And, again, none of us wants to see these dollars wasted or abused, because these are dollars that we need to rebuild our state.

And I understand that there is a limit on what you can do once the dollars get obligated. I also encourage you to try to expedite the public worksheets. I know, at one point, everything above a million dollars was coming back to D.C. And I know you all have done some things to expedite that.

I know my time is running short. My next question for Secretary Foresman involves—my next question involves the Urban Area Security Initiative. My understanding is the department decided to cut four cities, including Baton Rouge, from the list of 35 metropolitan areas eligible to share $747 million in the Urban Area Initiative grants.

The department said that they made their recommendations based on the 2000 census estimates, but that they did not take into account the post-Katrina population surge. Baton Rouge is now, by some estimates, the largest city in Louisiana, and certainly I would encourage you to look at that new data.

One question is whether the department will allow the Urban Area Security Initiative to adjust their risk assessment boundaries to look at local or operational or key regional infrastructure that falls just outside that 10-mile attachment area.

I know there were a lot of us that were shocked that Baton Rouge wouldn't make that cut. If anything, it seems like it took on

even greater importance, not a decreased importance, after the storm.

Mr. FORESMAN. Congressman, let me address both parts there. First, in the context of some reasonable level of adjustment, where we found this past year—and there were a number of jurisdictions that applied, too, in the 2006 process that were so-called sustainment communities—where there were major facilities outside of that radius that had an significant impact, such as a large dam that would flood an entire city, something of that nature, we did show the common sense flexibility, in terms of doing the analytical work for 2007.

You asked a very reasonable question, in terms of the population. It is one that actually the secretary also asked. So what I would offer to you, in terms of the official assessment, the population and the combination of threat and the vulnerability assessments didn't raise the profile of Baton Rouge to the level for inclusion in the program.

I asked the team to run it unofficially, and they put in the best numbers that we had, based on our discussions with the local officials when we had the meetings that you helped organize and others, the information that we were able to get from Dave and the team. And it still would not have gotten them into the urban area program.

Mr. JINDAL. I might follow up with you. I know my time is running short. I will come back in my next round of question—Chief Paulison, just one of the things that you may want to think about before we get to our next round is just—I have some follow-up questions. I have some concerns about some of the money we saw spent in contracts. I just want to make sure we have those safeguards going forward.

Thank you, Mr. Chairman.

Mr. CUELLAR. Thank you, Mr. Jindal.

At this time, I would like to recognize for 5 minutes the gentlewoman from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman. And thank you to both of the chairmen for calling this I think what is a very important follow-up, so we can ensure that, when we have natural disasters, things are taken care of.

I come from the state of California. As you know, most people usually worry about earthquakes when it comes to Californians, but we really worry about the fires that come. And I think our state, at in Southern California, has been in a drought for the last 6 years or so, so we are very concerned that we will have natural disasters.

Just as we had a slide the day before yesterday in San Francisco, in a very—what is concerned a very urban area, all of a sudden we find people out on the streets.

So very concerned about the whole issue of all-hazard and disasters. And it seems to me that having FEMA, quite frankly, in the Department of Homeland Security, I have seen so many situations where everybody is telling me, "We are so focused on terrorism, we may not be focused on the reality of all these hazards."

Mr. Jadacki, do you believe that there has been a problem in focusing on all-hazard missions in the department?

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Mr. JADACKI. I think initially, when the department did start back in 2003, there was a focus on terrorism. You know, we are right in the heels of the 9/11 event. And I personally worked for FEMA and sort of—and their chief financial—money.

And I know, working with the?when the department was forming, that there was a lot of emphasis on the terrorism-type attacks, and there was less emphasis placed on the all-hazards, the earthquakes, the floods, the hurricanes, and those types of things.

So, yes, I did see a focus more on terrorism.

Ms. SANCHEZ. Was this the case prior to Hurricane Katrina, or was that being fixed at that point? And has it been fixed since? Or do you still think we need more to do? And what would those improvements look like, to make sure that this department, in particular, is taken a look at?

Mr. JADACKI. I think that the hurricanes in Florida after 2004, and then subsequent Hurricane Katrina and the other hurricanes, were a wakeup call. I think everybody recognizes now that we can't just focus on?you know, a natural disaster, whether it is a natural disaster or a manmade disaster, it is still going to result in a response effort, a recovery effort, and it is still going to need the resources of the federal government.

So I think they were a strong wakeup call. I think some of the FEMA reforms that were put out last year recognized that, the merger of some of the preparedness functions as a cornerstone of sound emergency management is a step in the right direction. I think the focus is where it should be, on an all-hazards approach right now.

Ms. SANCHEZ. I get very worried about that issue. And I know, as Californians, we are considered one of the most prepared areas, having always thought about the earthquake. And I know, in my car, I have my little emergency kit in case I am in my car when something strikes, or you go home, and I have the big trash can that has everything in it.

But I just worry that somehow—and walking, even doing the walk around my district these days, people aren't focused on the fact that we may not get to them in the first 3 or 4 days. And I think just a real focus on getting back to, "Everybody has to take care of themselves for the first few hours," is important for all hazards.

As the chairwoman of the subcommittee with jurisdiction over border security, Mr. Foresman, I am very interested in the progress of US-VISIT. And, quite frankly, I am surprised to see that the US-VISIT program was moved into the National Protection and Programs Directorate within the department.

Why was that moved? And wouldn't it make more sense to have US-VISIT somehow closer to the operational piece of Customs and Border Protection or maybe a policy office on border programs? It just seems like it is sort of removed. And we have been having so many problems with the US-VISIT.

Mr. FORESMAN. Congresswoman, thank you for the question.

Really, I think there are three pieces to this. First, when the initial startup of US-VISIT, when it was envisioned, it was very much of a border activity, and I think US-VISIT is, in many ways, one of the great successes of the department.

US-VISIT has emerged from being simply a border management tool to being an identity-and information-sharing tool that has utility, not only for Customs and Border Protection, but the more than 700 million prints, for instance, that they have in that US-VISIT database, are prints that are important to the FBI, as they do investigations.

They are important to Immigration and Customs Enforcement. We have a pilot project where the Coast Guard is doing some validation and taking some prints down in some of the water patrol areas.

So, as we look at the organizational structure of the department, the decision was made that it is a service provider across the entire department. And it is not simply a border management tool. It is an identity management tool.

And, in the same way that the infrastructure protection directorate services all aspects of the department, whether it is Dave and the folks at FEMA, Thad Allen and the Coast Guard, or our state and local partners, we wanted to make sure that we had it at a department-level function.

Now, the second, more practical piece of it—and is straightforward—is that US-VISIT needs to—we need to ensure their full integration in department activities.

We continue to go through a wide-ranging maturity process in the department. And this gives us a better ability to ensure its representation of issues, its recognition of issues, its issues are being adjudicated at the senior levels of the department, but the primary reason being that it is a service provision organization.

Ms. SANCHEZ. Thank you. And I see, Mr. Chairman, that I have run out of time, so I will wait for the next round. Thank you.

Mr. CUELLAR. Thank you very much. Thank you again.

At this time, the chair will recognize for 5 minutes the gentlewoman from New York, Ms. Clarke.

Ms. CLARKE. Thank you very much, Mr. Chair, and to both chairman, for holding this very important hearing today.

In the last Congress, we took the very strong and necessary step of reforming the management of FEMA and, along with it, the entire Preparedness Directorate of the Department of Homeland Security. While I was not a member of Congress at the time, I wholeheartedly support these actions as vital to the overall process of fixing the tragic failures of the federal response to Hurricane Katrina.

Among the greatest decisions was to improve FEMA status within the DHS and move preparedness functions under their management. This will allow FEMA to focus on how best to prepare our cities and states to avoid the worst in disastrous situations, before they begin, rather than starting from scratch when reacting to rapidly deteriorating situations.

However, when major functions of government are moved from one area to another, oftentimes confusion ensues. And it is nearly inevitable. And important programs sometimes have great difficulty in coming up to speed.

As part of the department shifting of programs, it is transferred the Office of Grants and Training to FEMA, while creating the new Office of Risk Assessment and the newly named National Protection and Programs Directorate.

Which of your offices will oversee important, risk-based grant programs, like the Urban Area Security Initiative, the State Homeland Security Grant Program, and the other grant programs for first responders? That is sort of my first question.

Mr. PAULISON. Each of the departments inside Homeland Security has a risk area to do that. Undersecretary Foresman's side will be that agency that makes sure all of those are blended together and oversee all of the risk-based assessment. So we will be kind of a customer of theirs, but yet we will do a lot of our own risk assessment.

We are in one department, and we do work very closely together. And this department is finally starting to gel into one agency. So, yes, we have risk-based areas. The Coast Guard does some of their risk, Border Patrol, all of them do that.

And I don't want to speak for you, George, but they are going to be the blender of all of this, kind of synthesizing all of the risk-based stuff to make sure we are all on the same page.

Mr. FORESMAN. Congresswoman, let me just briefly follow up for you. You know, I think the one clear picture is that—and the chief talked about this—the grant programs will realign into FEMA. And they, in essence, are becoming the service provider for the provision and the administration of these DHS grant programs that have been in place for a number of years.

We have made significant improvements over the course of the past year in terms of our grant activities, but one of the big things that we have found is we went through the grant process. How we assess risk for port security and how we did it for the Urban Area Security Initiative, and how we were applying it to transit security were dramatically different.

We were using dramatically different databases. And that doesn't allow us to do apples-to-apples comparison. And what we need to be able to provide to you all, as our overseers, is the ability to come in and say, "There are tough choices that have to be made. We have done a quantitative risk assessment. The level of risk for this is this; the level of risk is this for this. We need to make hard choices about where we are going to put your resources."

So this doesn't diminish anybody's role in risk, but rather it creates a coalesced picture across the department.

Ms. CLARKE. Thank you for your response to that. And I just wanted to sort of touch on the issue that was raised by Congresswoman Sanchez, the US-VISIT program.

And I can understand the whole security aspect of it, but I think some of what gets lost—because I represent a constituency where you have a lot of first-and second-generation Americans with roots outside of the U.S., and they just want to see their families.

And what I didn't hear in your response was that part of the US-VISIT. You know, how are we really facilitating those who are lawfully coming to the United States—I mean, New York City, that is a major way for us to raise revenue and tourism and things of that—and I am sure across this nation.

I didn't hear anything in your response about the visitation aspect of it. Could you give us some insight into that, please?

Mr. FORESMAN. Congresswoman, yes, I can. And, you know, part of the challenge we run into is we have a lot of names for things that leave a little bit of a misnomer.

But US-VISIT is the program by which we inform the ability of Customs and Border Protection and Immigration and Customs Enforcement to make a wide range of decisions. And as a practical matter, what US-VISIT does is it gives us the ability to bring people in to an overseas location, issue a travel document for them to be able to lawfully come to the United States.

It gives us the ability to validate that they are not on a terrorist watch list somewhere, so that, when they get to this country, they can get entry into this country quickly, and they go see their family. Our number-one objective is to ensure the free and appropriate movement of people inside and outside of the United States, but with an eye towards a much higher level of security than we had prior to 9/11.

Ms. CLARKE. Thank you, Mr. Chairman. I have run out of time. If you have time later, thank you.

Mr. CUELLAR. Yes. And I believe we asked and we will be probably going into a second round for additional questions on that. But at this time, thank you, Ms. Clarke.

And at this time, the chair will recognize for 5 minutes the gentleman from Colorado, Mr. Perlmutter.

Thank you for being here with us.

Mr. PERLMUTTER. Good morning, Mr. Chair. And I apologize, because some of these questions you may have already answered, and I have been going in and out.

But the first question really sort of adds onto the US-VISIT questions that you have been getting. I mean, my understanding of US-VISIT was to track who is coming and who is going from this country. Is that a fair statement?

Mr. FORESMAN. Yes, sir, it is.

Mr. PERLMUTTER. Okay. How are we doing on the who is leaving the country side of the equation, in terms of tracking people who, you know, have a visa for a year, or three months, or whatever, and then they overstay their welcome? How are we doing on that side of it?

Mr. FORESMAN. Congressman, we have still more progress to go, in terms of doing that, but our number-one objective is to keep bad people out of the country so that we don't have to respond to an event.

Having said that, we have a number of pilot projects that we have been doing in selected airports with the US-VISIT from an exit standpoint. As we look down the road to the exit program and broader implementation of the exit program, we are going to look at it in the context of the three modes.

Air, which is going to be organizational and structurally reasonable easy to do; maritime, in terms of those folks who are leaving through maritime ports. But in the context of land exit, that is particularly difficult, because, you know, about 80 percent of the people who exit the United States exit the United States by land border crossings, and then they enter the next morning when they come back to work.

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And so this is going to be a little bit of a challenge, and we continue to look at the technology issues, the governance issues. But as we are moving forward, we are looking at some of the pilot projects so we can beta test some processes and procedures and technologies.

But as we have had discussions, as the secretary said very clearly, we have not abandoned exit. But what we have done is put in place a strategy that will allow us to get there without spending a whole lot of dollars without getting the desired end result.

Mr. PERLMUTTER. Okay, I guess, you know, there are sort of two parts, who is coming, who is going. Part of that is, you know, we want—under homeland security, you know, the missions are, you know, stop attacks, respond to disasters, and then immigration, kind of, you know, who is coming and who is going from this country.

And part of the immigration question is?you know, in Colorado, we talk about 11 million people who are here without proper documentation. And, you know, some of my fellow congressmen and women fall down on the subject on one side, and others fall the other way.

But a big chunk of those 11 million people are people who have overstayed their visas. And so, you know, I guess what I am saying, both from an immigration standpoint, plus we just need to know who is in our country, you have to finish that exit side of this thing.

And, you know, otherwise, it is not finished and it is not a complete project. And I still sort of question why US-VISIT is sort of in the FEMA part, you know, of all of your agencies. You know, why isn't it more over on the immigration kind of section of the—now, maybe that is for you guys to decide how you want to have your organization, but it just didn't really make sense to me.

Mr. FORESMAN. Congressman, let me just clarify. It is not in the FEMA part of the organization.

Mr. PERLMUTTER. Where is it?

Mr. FORESMAN. It is in the National Protection and Programs Directorate. And the preparedness functions that were previously under my domain, some of those activities, such as the fire administration and the grants and training activities, are going to be realigned to FEMA, but the National Protection and Programs Directorate includes things like infrastructure protection, cybersecurity, risk management.

And so, again, as I had said in my opening statement, this is about how we managed risk. No one thing manages the full spectrum of risk. This will allow us to use US-VISIT across a wide range of activities in the department.

Mr. PERLMUTTER. Okay.

I mean, I have a whole bunch of questions. You had questions about dams—Mr. Dent was asking you about in Pennsylvania. One of the things that came up a lot last year, that some of our dams across the country are aging, you know, particularly in the Northeast, what kinds of steps is FEMA or DHS taking to work with the Army Corps of Engineers to go in and check all of these, whether they are old, kind of earthen dams, or, you know, dams from the

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1930s that were part of the, you know, the various projects that were going on?

Mr. PAULISON. FEMA doesn't have direct responsibility over the dams themselves, but we do cover the flood plains that are around the dams. If a dam or levee is certified, then for insurance purposes those people are not required to have flood insurance, because they are considered not to be in the 100-year flood plain.

If, however, as we are seeing now more often, because, like you mentioned earlier, a lot of the dams are getting very old, a lot of levees are getting old, we are finding out that some of them cannot be certified, but we are working with the states, and with the local communities, and with the corps to give them time to inspect the levees, bring them up to speed before we put a requirement in that people buy flood insurance.

I think we are giving them up to 2 years to do that, to come up with those reports, to make sure that we are making the right decisions. But we don't work with them very closely. We don't have direct responsibility over repairing the dams or anything like that, but we do work with them to make sure that the people around there are protected and understand exactly what the risks are for living inside of a levee or inside of a dam situation.

Mr. PERLMUTTER. Okay, thank you.

Mr. CUELLAR. Thank you, Mr. Perlmutter.

At this time, the chair will recognize for 5 minutes the gentleman from Louisiana, Mr. Jefferson.

Mr. JEFFERSON. Thank you, Mr. Chairman. Good morning.

We live with a lot of the problems that others are talking about here every day. And I want to talk to you about four or five different areas in the short time that I have.

The most important is the flexibility of the Stafford Act, with respect to the various ranges of assistance that are provided there. The travel trailers that we so much sought for temporary, transitional housing now themselves present a hazard because they have been around so long, and no one believes that they could ever withstand a hurricane season themselves.

We just saw the tragic loss of life of a woman there?a tornado that came through in the travel trailer. She died. There are 60,000 more families in our state that are living in travel trailers now.

And there have been all sorts of ideas about how we could make the transitional housing more flexible, but they aren't allowed under the Stafford Act. For instance, many of the people who had apartments or buildings that were damaged during the storm have requested—came to us with ideas about how they could use their own money to get their places back in shape, and then have a lease agreement with FEMA to house people, to help them to restore their investment.

They would have been in regular housing then. It would have restored a long range of—hopefully, rental housing in the area, but that wasn't possible, because of the Stafford Act. It didn't—the flexibility for it.

The second is the individual assistance limits now are $26,200. I don't know how they arrived at that number or how long it has been in place, how long it should be in place, but I would like to know how you feel about that, because a lot of us are bumping up

against that now. And the 18-month requirement also is there, which also is an issue of flexibility.

The issue of whether the assistance goes directly to the states or whether parishes—in our case, parishes; other places, counties—ought to be to let you deal with that. I know there is a concern about how many entities you deal with, how many entities report to you. And the states are more conveniently able to do that, just one entity to report.

But there is always this tension between the seat of state government and the effects in places out there, usually large cities, and it is just a tough thing. And the real desire to fix things is on a local level more than any other place, and there aren't other competing claims.

The last thing, outside of staff, I just—I did my—is the issue of prepositioning, or let's call it advance contracting issues. We had this big concern about all these outside, big contractors coming in.

And the issue wasn't just about recovery. It was about recovery for whom and also by whom. And so there is a big concern about our local Louisiana folks, and getting work down there, and going forward with all this recovery, in the early part, debris removal, all that was very much a concern of ours.

And we had the big non-compete contract folks who had been apparently prepared for this sort of thing. What is FEMA doing to think about the local folks getting prepared on a list—be called upon when these disasters strike?

I will leave it there for the moment. And if you are able to get through those, maybe I will get back to another one. But if I can just leave—the three Stafford Act issues, and the last one is on the issue of advanced contracting for small business.

Mr. PAULISON. Yes, a lot of questions there. I will try to remember all of them.

Your observation of the travel trailers is right on target. It is one of those things that keeps me awake at night. These travel trailers that we use, FEMA used to house people in right after Katrina, was the only tool they had in their toolbox to use.

However, they are not designed for long-term living. And now families have been in there for 18 months, some a little less, but most around—18 months for round numbers. It concerns me about some of the issues you have talked about, about storms coming through, tornadoes.

We have had several fires in them, some at no fault whatsoever to the trailer itself, but just the fact that they are living in very small quarters. It makes it very difficult.

The travel trailers that we have are not the right answer. But, again, it is the only tool we have for people who wanted to live there in Louisiana, in Mississippi, and to a lesser extent Alabama and Texas.

The problem with—and particularly with Louisiana—is there is no place for them to go if they want to stay in the state. There is no public housing available; there is no low-income housing available.

I was in one of the travel trailers the last time I was down there, visited with a woman, her daughter. I went inside and sat down in those very small quarters.

She was telling me the story where they were in an apartment. They were getting by. She works full-time. Her daughter works after school. She is in high school. And they were able to make their payments. They were paying $600-a-month rent.

So the hurricane came through, destroyed their apartment. They moved into one of our travel trailers in Acongria Park. Her apartment has been rebuilt, and she wants to move back. But now the landlord is charging $1,800 a month. And can't afford to do that.

And she said, "I am ready to be on my own. I have a job. My daughter has a job, and there is no place to go." So the answer is find some type of housing for them to go into.

Mr. JEFFERSON. —if an apartment owner was now able to say, "I will fix back my place, and I will keep my rent such and such, if you will give me a lease for these folks," isn't that a partial answer to this issue, of getting folks out of dangerous, temporary housing?

Mr. PAULISON. Part of the 80 percent of the people we have in travel trailers are in their own driveway, backed up while they are rebuilding their house. But we have a 20 percent portion that are in our congregate trailer parks, so to speak.

And those are the ones that I am concerned about, because I am not sure what the answer is for them right now, quite frankly. This is going to be a longer conversation, and I don't want to use up all your time.

The individual assistance is set by you, by Congress, by law, and it is the $28,200, I believe, right in there, for that particular type of thing. That amount of money is not under our control.

However, what we have done is, the people in the travel trailers and mobile homes, that money is not decremented off of their $28,2000. And so we are putting a lot of people into the 403 program that would normally have been in the 408, which comes off of that piece of it.

The Stafford Act directs us to go through the state and not directly to locals with the dollars. It has to flow through the state, because the state does pick up the cost share for that particular piece.

What we have done with the contracts—and we did not have a place before, and I know we are already over time, but I think this is an important issue.

The contracts, particularly the IE tact contracts that were put in place quickly after Katrina, the contracts were not written as we would have written them if we had more time. They should have been in place ahead of time. They were not.

However, all those contracts have been redone. There is now significant guidelines in there for local contractors and small business and women contractors to use. And the tornadoes in Florida we just had, 90 percent of the work went to local contractors.

And that is the process we want to use, because I agree with you 100 percent, based on what I learned in hurricanes, particularly through Andrew. The quicker you can get businesses back up and running, and get people jobs, the quicker the community is going to come back. And that is what we want to do, also.

Mr. JEFFERSON. Thank you, Mr. Chairman.

Mr. CUELLAR. Yes, sir, Mr. Jefferson.

This time, the chair will recognize for 5 minutes the gentleman from North Carolina, Mr. Etheridge.

Mr. ETHERIDGE. Mr. Chairman, thank you.

And, gentlemen, thank you for being here.

This is a critical time and an important issue, because we are now approaching March the 1st. And within 90 days, we will be in hurricane season. And, you know, when people have major disasters, as far as they are concerned, and you have just been talking about Katrina, and that will continue to be a topic for a good while, it doesn't matter to them whether it is manmade or natural.

They are more likely to be hit by a natural disaster, whether it be a hurricane, tornadoes we have had this year, floods, or earthquakes, in a large extent, than for a manmade one.

I still remember President Bush in New Orleans saying to then–FEMA Director Brown, "You are doing a heck of a job." And I think then we all pretty much understood somebody didn't get it, and we weren't prepared, and we weren't ready.

So my question—and I think the American people have figured it out. And Congress has stepped in and tried to help with resources and reordering some of the—Mr. Paulison, we are glad to have you aboard, because you understand it, and you have been there.

So my question, as you know, a lot of hurricanes tend to land in two or three places in this country. One is in Florida; the other is in North Carolina.

And I understand that planning is going on in FEMA to develop procedures for a response from recovery of disasters, whether it be tornadoes, et cetera. And you know, as I do, that we had a plan on paper before Katrina. And all of a sudden, it was on paper, and that is all it was.

My question to you is, now, lessons learned thus far from Katrina, and you remember as I do that, in the 1990s, FEMA was a very proud agency in this federal government, and I want to see it get back to that, because we had our hits in the 1990s, and we have been fortunate the last couple of years.

What steps are you taking to restore the professionalism within FEMA, which I think is a critical piece? And, secondly, can you describe some of the efforts being made at FEMA to ensure that the plans are put in place that are actually workable?

For example, have there been dry runs for new practices and procedures to ensure that they will work in a real disaster? Because, you know, one of the things that we talk about—plans, and, you know, historically, we used to do a lot of dry runs. And I think that is absolutely imperative at the state level, if they are going to be our partners, and the local level, because many of those folks, as you and I know, are volunteers.

Mr. PAULISON. First of all, I agree with you 100 percent. I want to make this agency an agency that America is proud of again, and that is what we are going to do.

The first question you asked was about professionalism. I am bringing in the most professional, experienced people that I possibly can into this organization. I mentioned earlier, the 10 regional directors that we have in place—actually, I have nine in place. The other one will be in place in a couple of weeks. We have

already hired him; we are just going through the background checks right now.

We will have all 10 regions in place, regional directors in place, the first time anybody is in our memory that we had all 10 of them filled, and not just filled, but filled with people who have 20 and 30 years of experience dealing with disasters.

I am also bringing that same type of expertise into the FEMA headquarters, into the management here, to make sure that we have people who understand what is going on, people who get it, who have been there and done that.

The second thing is, on that piece of it, is making sure I have a very strong mix of career people inside this organization, so as we go from administration to administration, we don't have the ups and downs we have seen in the past.

My staff meetings, for instance, sir, are about two-thirds career people and one-third politicals, to make sure that they are involved in making the decisions for this organization, because they are the ones that understand what is really happening.

There are no guarantees in life. But at the same time, I believe that exercises, especially particular hurricane areas, are extremely important, and that is what we have been doing. Undersecretary Foresman's shop that part of we are inheriting is doing it, doing an unbelievable job of making sure we are out there, doing exercises, working with the states.

I have personally attended exercises all up and down the East Coast and also in the Gulf Coast, to sit down with the governors to walk through those hurricane plans, to make sure that each department head understands what their responsibilities are.

I think that is the key: having a good, solid plan in place, to exercise that plan, and train on that plan. And that is all we can do right now, until we are actually tested.

Mr. ETHERIDGE. Have we had an exercise this year yet?

Mr. PAULISON. We have not had the national exercise yet, but the states have already started doing those, doing their—that was then they are start doing those exercises.

Katrina was a wakeup call for everyone, not only in the federal government, but also all the state emergency managers. If you talk with them—and I meet with them on a regular basis, and I know Undersecretary Foresman does, also—they are asking themselves, "What if that was my state? What if that was my city? What would I have done? And how would we have performed?"

Mr. ETHERIDGE. Well, I thank you.

And, Mr. Chairman, I would say that the situation, as it relates to the aftermath of Katrina and Rita, are still a challenge for this country and a natural disaster, and it will be until it is fixed. Thank you.

Thank you.

Mr. CUELLAR. Thank you, Mr. Etheridge.

At this time, members, we do have—we are going to do a short round of second questions, so, even though you do have your 5 minutes, if you can keep it within 5 minutes—make sure you keep it under 5 minutes.

But let me go ahead. I will go ahead and recognize myself for one question, and then I will have a couple questions, real short ones.

But instead of responding, if you can just get that in writing, unless the members are interested. They might be interested, also, in copies of that.

Mr. Jadacki, the inspector general has focused on substantial work on FEMA contracting and has identified numerous problems. And what we are looking at is, of course, the acquisition issues that have come up, whether there has been clearly communicated acquisition responsibilities among FEMA, other federal agencies, state, local governments, whether there has been sufficient numbers of acquisition personnel to manage and oversee this type of contracts.

In your opinion, has FEMA made—what sort of strides has FEMA made in addressing those shortfalls, when we talk about contracting and acquisitions? And I think you are familiar with reports and articles, et cetera, et cetera.

Mr. JADACKI. Yes, right, painfully familiar. We believe FEMA's—they are going in the right direction.

One of the outcomes of Hurricane Katrina was the obviously lack of staff, the lack of attention to procurements in a couple different areas. Obviously, there was not enough contracting officers to get the required number of contracts out on the streets.

The other issue that was discussed earlier is the fact that there weren't pre-scripted, you know, contracts in place before the disaster occurred, so, as a result, a lot of ad hoc contracting was taking place, sole-source-type things, limited competition, letter contracts, authorizations—

Mr. CUELLAR. And have they now developed those—and I don't want to say I am an attorney, but I want to say form contracts, that basically you can use?

Mr. JADACKI. Right. For the major contracts, they have gone back and re-competed those. And we understand now there is a number of contracts in place with the requirements, with pricing, some of those types of things in place, with a normal, typical, after-disaster activities, like ice water, logistics, some of those types of things.

We understand that they are making great strides in attracting and hiring procurement staff. As a matter of fact, I sit on a board that meets every two weeks just to go over the capabilities. We also have a group under my office that is dedicated to reviewing contracting activities. And we are with them on a weekly basis.

So one of the big issues that we have, though, is defining the requirements. Like, what exactly do we need? And do we have the people trained to identify those needs?

For example, base camps. We identified a need early on that there is a big need for base camps to house either the disaster victims or the response workers. Now, we can do the contract, but somebody familiar, you know, that needs to be familiar with how base camp works, what the types of supplies you need to have, and those types of things.

So it is not only the acquisition process of signing a contract. It is the oversight; it is defining the requirements and those types of things, too.

FEMA is making great progress in doing that, as well as the department And, currently, we are in process, and we hope to have something out by the end of March. We are actually going to pro-

vide a scorecard and assessment of where we are right now, because we think it is important to establish a baseline, so when you ask the same question next year, "Where are we at," we have that baseline, we can assess the capabilities.

Mr. CUELLAR. Will you get that status report to both committees?

Mr. JADACKI. Right. We are shooting to get something out by the end of March, so it will be included in our semi-annual report, but we will make sure we get that report.

Mr. CUELLAR. All right, thank you.

I have two questions, Mr. Paulison, but if you can just—because I want to certainly keep this under time. But what are your thoughts on FEMA's practice of decertifying levees?

And I know Mr. Dent asked about this and another member, for the new digital flood maps and it is economic impact on communities throughout the country, including I know one country that I represent in my congressional district. They brought this up more than once.

And, again, the second part of a question is, can you tell me what programs FEMA has within its resources to assist communities that have leveraged local funding for the production of this maps, in addition to, I believe the $1.5 billion allocated by the federal government for this program?

And I believe—you know, the Texas-Mexico border, where I am at, I think they have about $9 million alone. I just want to see those—you know, I have a little question on the certifiable infrastructure that is currently being developed and not going to be included in these new maps, which will require, in the opinion of a lot of my constituents, remapping an additional federal and local funding in the coming years.

In other words, can we get it right the first time, instead of having to go back again?

Mr. PAULISON. The issue of decertifying levees is a significant issue, because it does put a financial burden on those people who are now required to have flood insurance.

However, the whole idea of the flood insurance program is to protect people and to make sure that they can get some type of reimbursement if their home is destroyed. So not having flood insurance, when they are inside of a levee system that is not certified, it is much cheaper to have the flood insurance than to not have any afterwards.

What we saw during what happened in Louisiana and New Orleans, where a lot of people did not have flood insurance, and the insurance companies went through there and said, "Hey, the damage was not wind, it was flood," they ended up with nothing.

So, yes, it is difficult. It does cost money. But at the same time, it is the right thing to do to have that flood insurance. And I know it puts a burden on people.

As far as programs, we do have programs that can?we have premitigation dollars that communities can apply for. We also have it across the board, where every state gets the same amount of money. And then we have the post-disaster mitigation funds that they can apply for after there is a disaster to help them with that.

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And that, generally, if a state gets a declaration, that generally applies to all the counties, and the states can apply for those dollars.

Mr. CUELLAR. Could you just give us?provide an outline to the committee staff so we can?all the members get a copy of the outline?

Mr. PAULISON. Absolutely, yes.

Mr. CUELLAR. And so that we could have a checklist, and we can go back to our communities and say, "This is what we have, and this is what is available."

Mr. PAULISON. We can do that. And, also, again, I would like to repeat, I would like to have the opportunity to come back or to meet with your group here or in your office or something and bring our flood mitigation people in to walk through all the programs, because it does get complicated.

Mr. CUELLAR. Right. Why don't we go ahead and work that with—I know Charlie—Mr. Dent had asked that question, and we will follow up on that.

Mr. PAULISON. We would love to do that, yes, sir.

Mr. CUELLAR. Yes, sir. Thank you, sir.

At this time, I will recognize Mr. Carney from Pennsylvania.

Mr. CARNEY. Thank you, Mr. Chair.

In testimony before this committee last year, the International Association for Firefights discussed how FEMA called up over 1,000 firefighters to serve as, "community relations officers," tasking them with the distribution of informational flyers.

According to their testimony, "Rather than deploy these highly skilled and highly trained professionals to relieve local first responders, our members sat in hotel rooms in Atlanta."

Mr. Paulison, what are we doing to ensure that we use first responders in the best way possible?

Mr. PAULISON. And we did that. We had plenty of first responders responding as firefights. What we didn't have was people who could go out with public relation people to talk to people, to tell them what the issues were, where to go to get help.

In the past, we have hired people to do that. And we ended up with people we didn't really want going to people's homes. And this was my idea, so I will take the heat for it. My idea was to go out and solicit firefighters, who already have background checks—we know what their characters are—and ask them to come in, not to do firefighting work, but to come in and help us with the public relations people, with the public assistance people, to go out and go to where people are.

They are used to sleeping on the ground. They are used to being under some very difficult conditions. And we actually got 4,000 volunteers that we put in there.

And, yes, they had to go through sexual harassment training. They had to get trained on what to do and what not to say, and to get some basic training on FEMA programs. I think the program was a success.

Now, firefighters being firefighters—and I was one for 30 years—they wanted to do more than that, and they wanted to go out there with their turnout gear, and they wanted to go out there with their medical kits. But we had people to do that. I needed people to do

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a certain job, and I couldn't think of a better group to ask to come in and do that than firefighters.

Mr. CARNEY. Did they know they were going to do that before they came down?

Mr. PAULISON. Oh, absolutely. It was so clear. And we made it clear to their chiefs; we made it clear to the firefighters exactly what they were asked to come in to do.

We paid them. We reimbursed their department, paid them if they were volunteer firefighters. We reimbursed their departments if they were on a paid department, to make sure there was no loss of income from the individual communities that donated those firefighters.

But they were asked to come in to do a specific job, and I asked them to do that because of the character of that group of people. So I didn't have to go out and just hire people off the street that I had no idea what their backgrounds were.

Mr. CARNEY. I don't dispute the character of these first responders at all.

Mr. PAULISON. And I will do it again, despite the heat that I know I will get if I do.

Mr. CARNEY. Yes, I am a former first responder myself, back in the day. What are we doing to make sure we have these folks credentialed?

Mr. PAULISON. As far as—

Mr. CARNEY. Do we have a national credentialing system in place?

Mr. PAULISON. It is a system we—it is not totally in place. It is a system we are working on. We know it is an issue.

When you asked for mutual aid, as particularly when you go through the IMAC system and you are getting somebody from another state, you need to know that the person you are getting does have the qualifications to do the job and has some basic certifications.

During Hurricane Andrew, I had 3,500 people show up at my doorstep and said they were firefighters. I didn't have a clue whether they were or not. We have put people on the street. I did not know. On September 11, 2001, we had the same thing in New York City.

We had people crawling on that rubble pile, we didn't know who they were. We can't allow that to go on. So we are working on, not only credentialing some type of system—and every state has different credentials. What does it mean to be a police officer? What does it mean to be a paramedic? What does it mean to be a firefighter?

So we have to come to some consensus on what is going to be acceptable in the middle of a disaster, of who can come into help, so you know who they are, and they know they can do their jobs.

Mr. CARNEY. Do you have a sense of time frame when that might be completed? How far along are we in this process?

Mr. PAULISON. I think we are pretty far along in the process. It is getting everybody to buy into it. I can't give you a time frame right now.

I can tell you that we are working on, also, on making sure what you order is what you get. If you order a fire truck, you know what

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you are going to get. If you order a water tanker, you know what you are going to get. So those types of things are in place.

Mr. CARNEY. Good. Thank you.

Thank you, Mr. Chairman.

Mr. CUELLAR. Thank you, Mr. Carney.

This time, gentlewoman from New York, Ms. Clarke?

Ms. CLARKE. Thank you very much, Mr. Chairman. I wanted to revisit with you, Mr. Foresman, the whole issue of the US-VISIT within the National Protection Directorate, and get a sense of whether, in fact—with the Customs and Border Protection segment of homeland security and what that means.

And I am going to give us a scenario to you. It has to do with people who want to have their visitation expedited. And there are a whole host of reasons, but many that I hear about are medical emergencies or weddings or funerals. And if, for instance, in my district, your name happens to be Muhammad, there is this lag time.

So I want to get a sense of, is that due to scrutiny that comes from your end? Or is it due to scrutiny that happens in some other part of the agency? But what is the lazing? And how do we facilitate visitation, entrance and exit from the United States of America?

Mr. FORESMAN. Congresswoman, thank you. Part of what I would offer to you, that when an individual who is not a U.S. citizen lives outside the borders of the United States chooses to make a visit to the United States, they are?not only is the Department of Homeland Security involved, but the Department of State is involved.

The role of US-VISIT is to provide the backbone so that, when that person presents themselves overseas to a U.S. official and says, "There is a wedding that has come up. There has been a death in the family. I want to go see Washington, D.C.," the US-VISIT responsibility in that process is to be able, as they capture those prints from that individual, to get it into the database, to retain it in the database, and make sure that we have the opportunity, if you will, to run it against the database to make sure that, frankly, it is not someone using it as a pretext to get into the country.

You know, one of the great advantages that the secretary talks about is, when terrorists are planning to commit an attack overseas, and they are sitting in a safe house in Afghanistan or Iraq, when our forces go in there, they are dusting those computers. And those prints are going into that VISIT database.

And we want every terrorist to think about that, if they are going to try to come to the United States, are they going to get caught because their print is on file? But, conversely, I would offer to you that the process by which we adjudicate the prints process, when a person presents themselves overseas, is typically less than a day and, in some cases, it is much quicker than that.

Ms. CLARKE. And then the second part is, do you interact with the portion of Homeland Security that is CPB?

Mr. FORESMAN. I apologize for not addressing that. Absolutely. But we actually interact with a wide range of stakeholders, in terms of Customs and Border Protection and Immigration and

Customs Enforcement, Coast Guard, and, frankly, a whole host of non–DHS entities, as well.

And what I was saying earlier is that US-VISIT has become an identity management resource as much as it was designed to be a border security measure.

Mr. CUELLAR. Thank you, Ms. Clarke.

This time, the chair will recognize for 5 minutes the gentleman from Colorado, Mr. Perlmutter.

Mr. PERLMUTTER. Thank you, Mr. Chairman.

I met with—we had a big meeting of first responders, and FEMA, and DHS Friday, this past Friday when I was back in my district. And one of the—just as Mr. Carney was asking you questions about credentialing, that came up in our meeting, about there seems to be difficulty in developing some kind of protocol, so that, you know, our first responders or, you know, the right people can get through the perimeter, you know, of a disaster area, a disaster zone.

So what, if you could sort of go through that with me again, what is being done to sort of—to develop a protocol so that we don't have, you know, confusion—there is always going to be some level of confusion at a disaster, and I am not asking for perfection.

But how are we dealing with credentialing so that, you know, legitimate first responders can get to the site to help people?

Mr. PAULISON. There are a couple things. One is the issue of self-dispatching, which causes 90 percent of the confusion.

When people start coming into a disaster area, and they have not been invited in, they just feel like it is the right thing to do, one, you don't know they are coming in, two, you may not have the wherewithal to even take care of them.

But I mentioned Hurricane Andrew, I had 3,500 firefighters show up. I couldn't even feed my own firefighters, much less the 3,500. We have to house them. You have to find a place to store their equipment, to dispatch them, to deploy them, you know, there is a whole series of things.

How do you get them radios where they are all on the same frequency? It takes a tremendous amount of resources away from the local community, if they don't come in self-sustaining. So that is an education issue that we have been working on with the first responder community that, unless you are invited in, you don't just show up because you feel like you want to do a good thing.

The second is—

Mr. PERLMUTTER. Let me stop you for a second. But don't you?I mean, and I understand, you need to have order. You know, you have to bring some order to the chaos that exists when something like this happens.

But on the other hand, you want all hands on deck. And so, I mean, you have to balance, develop some general protocol so that those people who want to come in and help you?you know, let's say in Denver. We have the national convention, Democratic National Convention coming. So, you know, hopefully we are not going to be a target. We have to prepare as if we are going to be.

But we want all hands on deck to be available from every part of the Denver metropolitan area, in case there was something bad happens. So, I mean, that is the kind of thing I am talking about.

I want you to be able to reach out to as many people to get as much help as you can.

Mr. PAULISON. But If you get too much help, they get in each other's way. And I know this is a debate we could probably have, but what your area is doing right now is making sure that those processes are in place ahead of time.

They are doing a great job of—they will be working out of a united command post. All of the departments around that area that would normally respond in are a part of that process, are being kept informed. And if there is something that happens, they know that they are going to respond and where they are going to report to.

And that works very well when you have a noticed event like you are talking about, where we know there is an event happening, and something could go wrong, so we are going to be prepared for it.

It is the no-notice events we have difficulties with and are not prepared like we should have been, like in Hurricane Katrina. We didn't have those systems in place. A lot of the communities are now putting those in place.

Right now, we don't have a credentialing system, per se. If you show up in uniform with a fire truck or with a police car, you are pretty much going to get in. What we want to do is make sure, if you do come in like that, you have some kind of card or some way to identify that you are who you say you are and you do have the training and the credentials to do the job you have come in to do. And that is the system just not in place yet.

Mr. FORESMAN. Congressman, if I might, let me just maybe put two points behind what Dave has talked about.

From a practical matter—and, you know, I just talk with this, with 25 years perspective in the business. Dave and I have been doing this our whole lives.

You know, some issues are not federal issues, and credentialing is one of those issues where, are we giving the tools to the states and the communities to do it? And, absolutely, we are.

Here in the national capital region, one of the offices that we will transition out of the Preparedness Directorate's office to the Office of National Capital Region Coordination, we have been working on a broad-based credentialing program across the national capital region, so that a firefighter from Montgomery County, Maryland, and a firefighter from Fairfax County, Virginia, will have a common credential, a common set of standards.

And so what I think I would offer as maybe the second part to it is, there is a lot of work that is being done at the state and local level. A lot of the $16 billion in grant funds that DHS has given out since its inception have been targeted towards developing credentialing programs.

And the Emergency Management Assistance Compact that provides for interstate and mutual aid, you know, we started this process 10 years ago, when I was in my other life. And I would just offer to you that there is good progress being made.

It is not only about identification. It is about tracking. I mean, we have a tremendous issue with first responders out of New York City, about whether they were at the site of the World Trade Center, when they were at the site, what they were exposed to at the

site, and when we talk about first responder safety, credentialing, and the backbone to doing it.

High priority, this pilot project inside the national capital region, is helping our efforts elsewhere, and this fits into the broader national effort.

Mr. PERLMUTTER. Thank you very much.

Mr. CUELLAR. Thank you, Mr. Perlmutter.

At this time, I would recognize for 5 minutes the gentleman from Louisiana, Mr. Jefferson.

Mr. JEFFERSON. Thank you, Mr. Chairman.

With respect to the issues I explored with you earlier, I really wasn't—I know what the law is on those things. My question really was whether, with respect to the limitation on individual assistance, with respect to—amount $26,200 in the 18 months, whether now, looking back over everything, and—of the size and scope that we have had here, one of the—with some internal review, help us to understand whether or not that is a good number now. That is the one thing.

The second thing was, with respect to the flexibility of the Stafford Act, it wasn't so much that I didn't understand that the states—that the law now says you will do it with the states, but whether you would not, under some circumstances, be more expeditious to get aid to people, if we could not do every little town that was affected, but the counties or parish governments, when you deal with one entity there, as opposed to all the numerous towns that might be in a parish in a country, and therefore still have less folks to talk to and get answers from, but to whether—because we saw some things take place down there, in St. Bernard and other places, where people tried to self-help early on, get involved, and solve some problems, and then they ran up against the issues with reimbursement and everything else.

So it wouldn't make sense to think about it being done in the most affected areas, as opposed to—maybe way up in some other place, where there are a lot of competing legislative interests that take place, and everyone tried to grab onto some part of the other sources.

And so I was really asking—I would really like you to think about that and help us to work through it and maybe submit something to the committee on that, so we could get some ideas about it. And in each one of those instances that I mentioned before, and particularly—and you answered the contract issue, I think.

On the technical assistance on evacuation, I would like to know what you are doing, as you take a re-look at everything, to—I know evacuation—state and local responsibility, or the planning of it. But you can help with technical assistance, to make sure that they are doing the best job they can.

I would like to know what you are doing in that area now that is new and different from what was done before.

And the last thing is, with respect to HUD, and the coordination between HUD and your office, a lot of folks who think that, particularly for the longer-term recovery, when it comes to housing, most of the responsibility with HUD rather than with FEMA. I would like to know how you feel about that, if you feel it is just

a coordination issue, or whether it really ought—responsibility ought to fall somewhere else.

Mr. PAULISON. Excellent questions. On the individual assistance, Congress did raise the amount last year to—I think it is $28,200 or $28,300. So Congress did raise that.

Whether that is the right amount or not, you know, I guess it depends on the disaster. There are a lot of programs, things like Mr. Jadacki pointed out, that perhaps overlap what FEMA does, and we are trying to look at all of those programs and provide dollars to people and help to get them back on their feet again.

FEMA's job isn't to make people whole. It is to get them through this disaster and back on their feet, to give them a few dollars in their pocket. I mean, $28,000 is not going to go a long way towards rebuilding your house, if you don't have insurance or no other program.

So, you know, I am not a social expert, so I can't tell you whether that is the right amount or not. That is why Congress sets those dollars for us.

On HUD, FEMA should not be in long-term housing business. That is not where our expertise is. That is not one of our core competencies. That is a HUD issue, as far as I am concerned. And we have been working with them.

How do we put a program in place or use their existing programs to take on that long-term housing piece, what we consider long-term? You know, anything more than a few months should not belong to FEMA. That is not what we do. We are to respond to an emergency, help the state, help the local communities get through that thing, get some people some temporary housing.

And then, if there are longer-term needs, it needs to be somebody else. But that is not a FEMA core competency.

On the evacuations, a major issue. I think that, like I said earlier, Katrina was a wakeup call for everyone. Hurricane Rita going into Houston, when they did the major evacuations, Houston did the right thing. They got people out. It was ugly, but it worked.

They learned a lot of questions from that, how to do contraflow better, how to move more quickly and where to put people.

We are now in the process of looking at each of the states' evacuation plans and how they are going to work. New York City just did a tremendous, comprehensive disaster plan for the city of New York, probably 300 and some-odd pages.

We are working with them to take that plan and make a template that we can use with other communities, not necessarily to follow New York's plan, but I guess more than a checklist, more of a template, that they can follow down to make sure they have all the t's crossed and all the i's dotted for their disaster plan.

But we do review evacuation plans. We do review disaster plans. And we do provide technical assistance for state and local communities to help develop those plans. We do work with them to make sure that they are the plans that they need for that particular community.

Mr. CUELLAR. All right. Thank you, Mr. Jefferson.

And, again, I want to thank all the witnesses for being here and, of course, all the staff that helped you get ready for this?a little bit of background work on this.

So I want to thank all the witnesses for their time. And I hope you all appreciate the little format that we are using. It is not adversary nature; it is just trying to see how we can improve the process.

We look forward working with you. And one of the things I do want to ask you all is, if there is something that we can work with—I know Mr. Foresman were talking about sometimes there might be different committees, you know, with similar jurisdictions. But if there are issues like that that we need to clarify on behalf of our congressional role, please let us know.

And, you know, just be straightforward with us, and see how we can work together, because I certainly feel that we are—it is not you versus us or anything like that. You know, we are all part of the same team. So I certainly want to thank you.

So I want to thank the witnesses for their valuable testimony and the members for their questions. The members of the subcommittees may have additional questions for the witnesses, and we ask that you respond to them as soon as possible, in writing, to any of those questions that they provide.

Hearing no further business, the hearing is adjourned at this time. Thank you very much.

[Whereupon, at 12:13 p.m., the subcommittees were adjourned.]

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Appendix I: Letter

Secretary

U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

January 18, 2007

The Honorable Peter T. King
Committee on Homeland Security
U.S. House of Representatives
Washington, D.C. 20515

Re: ***Notice of Implementation of the Post-Katrina Emergency Management Reform Act of 2006 and of Additional Changes Pursuant to § 872 of the Homeland Security Act of 2002.***

Dear Representative King:

I write for two purposes: first, to provide a comprehensive description of the Department's reorganization under the provisions of the Post-Katrina Emergency Management Reform Act of 2006 (P.L. 109-295) ("Post-Katrina Act" or the "Act"), including the placement of organizational units within the Department under the Act; and second, to provide notice, pursuant to Section 872 of the Homeland Security Act of 2002 (P.L. 107-296) ("HSA"), of certain additional organizational improvements to the Department that complement the statutorily-mandated changes. All of the changes described herein, whether under the Act or through the Department's 872 authority, will become effective on March 31, 2007.

I. BACKGROUND

Hurricane Katrina made landfall in Florida and the Gulf Coast states at the end of August 2005, and was followed closely by Hurricanes Rita and Wilma. The Department led the Federal response to these catastrophic natural disasters, and is still actively engaged in recovery efforts to alleviate the suffering of the hurricanes' victims.

We learned many significant lessons from last year's hurricane season. Since almost immediately after Katrina struck, DHS has been evaluating itself and implementing fixes -- including, for example, improving FEMA's business processes, customer service, and monitoring of fraud, waste and abuse. The executive branch has produced a comprehensive evaluation of the federal government's response, entitled *The Federal Response to Hurricane Katrina: Lessons Learned*, and DHS is tracking its progress in meeting the goals set out in the *Lessons Learned* report.

Two committees of Congress -- the Senate Homeland Security and Governmental Affairs Committee and the House Select Bipartisan Committee to Investigate the Preparation for and Response to

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Hurricane Katrina -- also produced extensive reports and findings. The Post-Katrina Act, which is codified at Title VI of the Department's FY 2007 Appropriations Act, P.L. 109-295, is the culmination of Congress's efforts in this area. The Post-Katrina Act establishes new leadership positions, brings additional functions into FEMA, creates and reallocates functions to other components within the Department, amends the Homeland Security Act, and modifies the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the "Stafford Act") in ways that directly and indirectly affect the organization and functions of various entities within DHS.

Described herein is the new structure of the Department. This document will provide a clear roadmap for the reorganization, as well as adequate notice and description of the new structures and functions within DHS, to allow Congress to accomplish its constitutional duties.

Attachment I contains the proposed end-state organization charts reflecting the statutory and Section 872 changes proposed in this letter for the following organizations: the Department of Homeland Security overall; FEMA overall; the FEMA National Preparedness directorate; the National Protection and Programs Directorate (formerly the Preparedness Directorate); and the Office of Health Affairs.

II. TRANSFERS AND REORGANIZATIONS

This section describes the transfers within and among DHS components that are required by the Post-Katrina Act. Included is a description of FEMA as it will be structured after transfer of the elements of the Preparedness Directorate required by the Act, as well as the structure of those components of the Preparedness Directorate that were not transferred to FEMA under the Act.

A. Overview of Transfers Mandated by the Post-Katrina Act

Section 611(13) of the Act transfers "all functions of the Federal Emergency Management Agency" and "[t]he Directorate for Preparedness . . . as constituted on June 1, 2006" to the new FEMA, with the following express exceptions:

- The Office of Infrastructure Protection
- The National Communications System
- The National Cyber Security Division
- The Office of the Chief Medical Officer

This means that the functions, personnel, assets, components, authorities, grant programs and liabilities of the following DHS offices and divisions will be transferred to FEMA.[1]

- The United States Fire Administration
- The Office of Grants and Training
- The Chemical Stockpile Emergency Preparedness Division
- The Radiological Emergency Preparedness Program

[1] The Act also transfers the Noble Training Center in Anniston, Alabama (which trains health and medical professionals in disaster preparedness) to the FEMA Center for Domestic Preparedness. (Post-Katrina Act, § 663).

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- The Office of National Capital Region Coordination
- The Office of State and Local Government Coordination

The Act contemplates that these transfers will become effective on March 31, 2007. *See* Post-Katrina Act, §§ 612, 614. DHS will carefully manage all financial, organizational and personnel actions necessary to transfer the assets of these organizational units so that the transition is complete on that date.

The Act also creates the Office of Emergency Communications, which will reside within the Office of Cyber Security and Communications (*id.*, § 671) within the successor to the Preparedness Directorate, which, through this Notice, we will rename the "National Protection and Programs Directorate" (NPPD).

B. The Federal Emergency Management Agency

1. Overview. The newly-constituted FEMA is established under the Post-Katrina Act as a distinct entity within the Department. As required by the Act, we have included the functions existing within FEMA as of June 1, 2006 and those elements of the Preparedness Directorate that were in the Preparedness Directorate as of June 1, 2006 and not excluded by the Act, as well as several other new and existing programs. The new FEMA will be headed by an Administrator, who is appointed by the President by and with the advice and consent of the Senate. David Paulison will continue in this position.

Significantly, and consistent with our Katrina lessons learned analysis, the new FEMA will not be a stovepipe aggregation of legacy programs. The Act clearly invites a thorough assessment of the internal FEMA structure to incorporate lessons learned from Hurricane Katrina and to integrate systematically new and existing assets and responsibilities within FEMA. That is precisely what we have done, and our core structural conclusions are described in this communication. The new organization reflects the expanded scope of FEMA's responsibilities within DHS. It supports a more nimble, flexible use of resources. It will strengthen coordination among FEMA elements and with other DHS components. And it will deliver enhanced capabilities to partner with external emergency management and preparedness entities.

The Act allows the Department to structure FEMA with not more than four Deputy Administrators to assist the Administrator. *See id.*, § 611(13). We will establish two Deputy Administrators within FEMA. One will be the Deputy Administrator and Chief Operating Officer. This will be the principal deputy, with overall operational responsibilities at FEMA. Harvey Johnson, currently the Deputy Director and Chief Operating Officer of FEMA, will continue in this role. The other will be a Deputy Administrator for National Preparedness, a new division within FEMA.

Nine Assistant Administrators will report through one of the two Deputy Administrators to the Administrator. Seven of the Assistant Administrators will report to the Deputy Administrator and Chief Operating Officer (for the following divisions: Logistics Management, Disaster Assistance, Disaster Operations, Grant Programs, U.S. Fire Administration, National Continuity Programs, and Mitigation). Two of the Assistant Administrators will report to the Administrator through the Deputy Administrator for National Preparedness (for the National Integration Center and the Readiness, Prevention, and Planning division).

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2. National Preparedness Organization. The Deputy Administrator for National Preparedness will head a new directorate within FEMA, consolidating FEMA strategic preparedness assets. It will include both existing FEMA programs and certain legacy Preparedness Directorate programs. It will incorporate functions related to preparedness doctrine, policy and contingency planning. It will further contain the Department's exercise coordination and evaluation program, emergency management training, and hazard mitigation associated with the Chemical Stockpile Emergency Preparedness (CSEP) program and the Radiological Emergency Preparedness Program (REPP). CSEP and REPP are programs that were transferred into the Preparedness Directorate in 2005 that are being shifted back to FEMA to integrate the preparedness function per the Act.

The Deputy Administrator for National Preparedness will oversee two divisions: (i) Readiness, Prevention and Planning; and (ii) the National Integration Center (NIC), established in § 509 of the Act.

Readiness, Prevention and Planning (RPP) will be the central division within FEMA handling preparedness policy and planning functions. This expanded division will include FEMA's catastrophic planning activities and the following FEMA offices: (i) Exercise & Evaluation; (ii) Contingency Preparedness; (iii) Preparedness Doctrine & Policy; (iv) the Citizen Corps; and (v) CSEP and REPP. The RPP division will be responsible, among other functions, for coordinating HSPD-8 (National Preparedness) implementation, the National Assessment and Reporting System, Nationwide Plan Review, the Federal Preparedness Coordinator program, and coordination with the approximately 2,100 Citizen Corps Councils in all of the States and territories.

Within FEMA, the National Integration Center (NIC) will maintain for the Secretary the National Incident Management System (NIMS) and the National Response Plan (NRP), as well as the annexes and supplements to the NRP, such as the Catastrophic Incident Annex and the Catastrophic Incident Supplement. In addition, the NIC will oversee the Training Division, the Systems Support Division, the Center for Domestic Preparedness, the Noble Training Center, the NIMS Integration Center, the Emergency Management Institute, and relationships with FEMA's training partners and external associations. Working with the Citizen Corps, the NIC will also coordinate emergency management volunteer activities with the Corporation for National and Community Service and first responder activities with state, local and tribal governments.

In carrying out these responsibilities, the Assistant Administrator of the NIC will closely coordinate with the Assistant Administrator of the U.S. Fire Administration, particularly with regard to efficient asset utilization of the National Fire Academy campus assets, in Emmitsburg, Maryland, which are also transferred to FEMA under the Act. We envision that the functions and organization of the U.S. Fire Administration will not change substantially with this reorganization. The U.S. Fire Administration will remain responsible for the National Fire Academy as well as for the data analysis, reporting, training and other coordination activities currently undertaken by that organization.

3. Other FEMA Headquarters Elements. The DHS Office of Grants and Training, which currently oversees and administers DHS grants and certain other preparedness programs, will be reorganized as it is transferred per the Act from the Preparedness Directorate to the new FEMA as the Office of Grant Programs. The Citizen Corps program within the Office of Grants and Training will be transferred into the FEMA Readiness, Prevention and Planning division. The Training and

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Systems Support Divisions of the Office of Grants and Training will be transferred to the National Integration Center (NIC). The Public Affairs, Legislative Affairs, Executive Secretary and Legal Counsel positions within the Office of Grants and Training will transfer to their equivalents within the FEMA Office of the Chief Counsel and Office of External Affairs. The current Grants and Training Business Office and Preparedness Programs Division will transfer into the immediate Office of the Assistant Administrator for Grant Programs.

The new FEMA will establish: (i) a robust and specialized Logistics Management division (to fulfill the mandate of new HSA § 636); (ii) a Disaster Assistance division incorporating elements of the current Response and Recovery Divisions); and a Disaster Operations division (incorporating the existing FEMA Recovery Division and elements from the Preparedness Directorate's National Preparedness Task Force). These three entities within FEMA will be headed by Assistant Administrators. FEMA will also maintain divisions that focus more clearly on broader national issues of preparedness, protection and mitigation, including the National Continuity Programs division (formerly Office of National Security Coordination), and the Mitigation division, both also headed by Assistant Administrators.

Additional headquarters positions expressly created by the Act include a Disability Coordinator, who is to be appointed by the FEMA Administrator (Sec. 513) and will reside in the FEMA Office of Equal Rights, to exert influence across both the Disaster Assistance and Disaster Operations divisions. The new Disability Coordinator will closely coordinate with the Office of Civil Rights and Civil Liberties to ensure a consistent DHS position on related issues. The Act also creates a National Advisory Council, the members of which are appointed by the FEMA Administrator (Sec. 508). The President will also appoint to FEMA a new Small State and Rural Advocate (Sec. 689g), who will work within the Office of External Affairs.

FEMA's headquarters administrative offices, which existed within FEMA on the date of enactment (October 4, 2006), including the Executive Secretariat, the Office of Chief Counsel, the Office of Management (Human Resources, Information Technology, Acquisition and Facilities Management), the Office of the Chief Financial Officer, and the Office of Equal Rights, will report to the Administrator through the Deputy Administrator/Chief Operating Officer. Operational and policy offices, including a new Law Enforcement Advisor to the Administrator and the Office of Policy and Program Analysis, will also report through the Deputy Administrator/Chief Operating Officer. FEMA will consolidate several former offices into a new Office of External Affairs, which will incorporate the Public Affairs, Legislative Affairs, Intergovernmental Affairs, and FEMA's International Affairs offices.

In the FY07 DHS Appropriations Act, $6.459 million was appropriated for the "National Preparedness Integration Program" (NPIP) within the Preparedness Directorate. The NPIP was originally proposed in the Administration's FY07 budget submission to replace and considerably expand activities of the Preparedness Directorate's National Preparedness Task Force, which has now been abolished. NPIP preparedness functions will be subsumed into the new National Preparedness directorate within FEMA. According to the Act, the FY07 NPIP appropriation ($6.45 million) cannot be obligated without the approval by the Committees on Appropriations for the Senate and the House of Representatives of an expenditure plan submitted by the Secretary. The Department will submit an expenditure plan describing how the funding will be used for the

purposes for which the appropriation was provided, which include responsibilities related to interoperability and plan modernization.

4. FEMA Regional Offices. The Act codifies and expands FEMA's regional office structure (P.L. 109-295, new HSA § 507.). The ten Regional Administrators provided for in the Act will report directly to the Administrator, and will be supported and coordinated by an Associate Deputy Administrator. Under the Act, each Regional Administrator will be responsible for establishing a Regional Advisory Council and at least one Regional Strike Team. The Regional Advisory Councils will provide advice and recommendations to the Regional Administrators on regional emergency management issues and identify weaknesses or deficiencies in preparedness, protection, response, recovery and mitigation for State, local and tribal governments based upon their specialized knowledge of the region.

In sum, the Department expects that this new FEMA structure will bolster the Department's emergency preparedness, response, recovery and mitigation capabilities and facilitate a robust coordinated response to all hazards.

C. The National Protection and Programs Directorate

The Post-Katrina Act retains, outside of FEMA, certain offices of the Directorate of Preparedness and the Under Secretary for Preparedness. In recognition of the intention of the Act, the Department will rename that directorate the National Protection and Programs Directorate (NPPD).

The Preparedness Directorate was originally established to fulfill at least three critical Department-wide needs: (1) strengthen national risk management efforts for critical infrastructure; (2) define and synchronize DHS-level doctrine for homeland security protection initiatives that entail aggressive coordination internally within DHS, in our planning and integration work across the Federal Government, and with State, communities and the private sector; and (3) deliver grants and related preparedness program and training activities. The third element will be transferred to FEMA, while the NPPD will continue to provide a Department-level focal point for ongoing management of the initial two imperatives. In addition, the NPPD will provide management support and direction for a major existing immigration technology program that touches multiple DHS equities within DHS and with other Federal agencies, US-VISIT.

The NPPD will be led by an Under Secretary, appointed by the President by and with the advice and consent of the Senate. Under Secretary George Foresman will continue in this position. As specified in the Act, the functions, personnel, assets, components, authorities, grant programs and liabilities of the Office of Infrastructure Protection, the National Communications System, and the National Cyber Security Division will remain in this Directorate.[2] We will transfer additional functions to this Directorate as well. The new NPPD will include the following offices:

- Office of the Under Secretary
- Office of Cyber Security and Communications
- Office of Infrastructure Protection

[2] The Office of the Chief Medical Officer is being established as a separate component called the Office of Health Affairs, reporting directly to the Secretary through the Deputy Secretary. *See infra.*

- Office of Risk Management and Analysis *(formerly part of Infrastructure Protection)*
- Office of Intergovernmental Programs
- US-VISIT

1. Office of Infrastructure Protection; Office of Risk Management and Analysis. The NPPD will continue to execute the Department's fundamental infrastructure protection missions and functions through the Office of Infrastructure Protection. Led by an Assistant Secretary, these missions and functions include the identification of risks, threats and vulnerabilities to critical infrastructure, and the development of methods to mitigate them. Through the Office of Infrastructure Protection, the Directorate will continue to help strengthen the first line of defense against attacks on our Nation's critical infrastructure and provide robust real-time monitoring and response to incidents of national significance. This office has absorbed additional responsibilities regarding chemical industry infrastructure as a result of recent legislation and DHS's regulatory implementation of those new authorities.

The Office of Infrastructure Protection will also continue to serve as the organizational home for the National Infrastructure Simulation and Analysis Center (NISAC), which was established by the USA PATRIOT Act, placed within the Department when DHS was established, and reauthorized in the Post-Katrina Act. NISAC will, among other functions, continue to support critical infrastructure protection and continuity by conducting modeling, simulation, and analysis of the systems and assets comprising critical infrastructure. NISAC will also coordinate with other Federal entities with critical infrastructure responsibilities under HSPD-7 (Critical Infrastructure Identification, Prioritization and Protection).[3]

The Office of Risk Management and Analysis, formerly a sub-component within the Office of Infrastructure Protection, will become a direct report to the Under Secretary and will be led by a Director. Risk Management and Analysis will focus on the development of risk analysis methodologies, and will expand its focus from physical critical infrastructure to cyber security and other risk analysis arenas, as determined by the Secretary of Homeland Security. This expanded mission will broaden the Office's efforts to address risk issues for the overall protection, prevention and mitigation of homeland security risks. It will provide core analytic and computational capabilities that will be used across the Department to assess and quantify risk with systematic, rigorous methodologies.

2. Office of Cyber Security and Communications. The Office of Cyber Security and Communications (CS&C) combines the already-extant Office of Cyber Security and Communications and the Office of the Manager of the National Communications System, with the new Office of Emergency Communications. Led by our existing Assistant Secretary, CS&C will focus both on Cyber Security and on emergency and interoperable communications. CS&C programs protect the Nation against virtual attacks (*e.g.*, computer, internet and other data-based attacks), including attacks against governmental entities and critical infrastructure. CS&C identifies

[3] Section 511 expands NISAC support from a focus on counterterrorism, threat assessment and risk mitigation to include providing support for activities related to a national disaster, act of terrorism or other man-made disaster. Section 511 also requires that the NISAC to establish "formal relationships" with other agencies with critical infrastructure responsibilities under HSPD-7.

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cyber vulnerabilities and threats, and helps protect against and respond to cyber-based attacks, including performing analysis as to the potential consequences from a successful attack.

CS&C is also responsible for national security, interoperable and emergency communications through the newly created Office of Emergency Communications. The Post-Katrina Act directs the Department to establish an Office of Emergency Communications, whose Director will report directly to the Assistant Secretary for Cyber Security and Communications. The Act makes the Office of Emergency Communications responsible for enhancement of public safety and interoperability emergency communications including assessment, training, technical assistance, grant guidance and outreach.[4]

The Post-Katrina Act also directs the Department to transfer to the Director of the Office of Emergency Communications the functions, personnel, assets and liabilities with respect to the SAFECOM program (except for the research and development aspects of this program, which will remain within the Science & Technology Directorate), the Integrated Wireless Network from the Office of the Chief Information Officer, and the Interoperable Communications Technical Assistance program, which currently resides within the Office of Grants and Training. The Office of Emergency Communications also will be responsible for the Department's responsibilities to the Emergency Communications Preparedness Center (ECPC), established by § 1806 of the Act. The ECPC will be jointly operated by the Secretary, the Chairman of the Federal Communications Commission, the Secretaries of Defense and Commerce, the Attorney General, and other heads of Federal agencies. The Office of Emergency Communications will be responsible for developing the memorandum of understanding in coordination with other agencies that will serve as the Charter for the ECPC.

3. US-VISIT. The US-VISIT program enhances the security of our citizens and visitors, facilitates legitimate travel and trade, ensures the integrity of our immigration system, and protects the privacy of international visitors. US-VISIT serves as the Nation's initial line of defense for those that seek to harm the Nation. As such, US-VISIT raises complex prevention and protection challenges, many of which will affect not only offices in the directorate, but other efforts across DHS. The US-VISIT mission includes routine and extensive coordination across multiple DHS components, with foreign governments, and with other Federal agencies, especially the Department of State, Department of Justice and the Intelligence Community. We are relocating the program to the NPPD to support coordination for the program's protection mission and to strengthen DHS management oversight.

4. Office of Intergovernmental Programs. There will be an Office of Intergovernmental Programs in the new NPPD, led by a new Assistant Secretary. The Department has one of the most diverse constituencies of any Federal agency. States, municipalities, and relevant associations interact daily with our components on a range of issues including border security, critical infrastructure protection, information and intelligence sharing, emergency management, immigration, and transportation security. The Office of Intergovernmental Programs will provide

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[4] The Act reallocates functions under § 7303 of the Intelligence Reform and Terrorism Prevention Act (IRTPA) between the new Office of Emergency Communications within NPPD and the Office of Interoperability and Compatibility within the Science and Technology Directorate. The objective of this arrangement is to focus the S&T Office of Interoperability and Compatibility on long range research and technology development while the newly created Office of Emergency Communications is charged with current coordination and technical assistance. *See* § 1801(c).

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the Department-level focal point for coordinating related communications and policies with Department leadership, and ensuring consistent and coordinated component-level interactions. This office will provide constituents a clear pathway for communication with Department leadership and vice-versa. The Office of Intergovernmental Programs will be established by realigning personnel from existing DHS resources.[5]

D. Reorganization Outside of FEMA and NPPD

1. Office of Health Affairs. The Department established the Office of the Chief Medical Officer (CMO) within the Preparedness Directorate as part of the Secretary's Second-Stage Review. The Post-Katrina Act contains Congressional authorization of the CMO and retains it in the Preparedness Directorate (P.L. 109-295, new HSA §§ 505, 516). Under the Act, the CMO, who is appointed by the President with the advice and consent of the Senate, is the principal advisor to the Secretary on medical and public health issues, and the Department's primary point of contact for health issues with the Department of Health and Human Services and the U.S. Agriculture Department, as well as for the health affairs contacts with the Department of Veterans Affairs and the Department of Defense. The CMO is also DHS's chief liaison regarding medical issues to State, local and tribal governments and the private sector medical community. Continuing his service to the Department as CMO, Jeffrey W. Runge, MD, will also assume the Assistant Secretary role as described below.

The Act charges the CMO with coordinating the Department's biodefense activities, as well as departmental responsibilities related to Project BioShield. The Act also makes the CMO responsible for ensuring internal and external coordination of all medical readiness activities of the Department, including training, exercises and equipment support (P.L. 109-295, new HSA § 516).

To conduct these important duties more effectively, DHS will create an Office of Health Affairs (OHA), which will report to the Secretary through the Deputy Secretary. The CMO, who will lead the office, will have the title of Assistant Secretary for Health Affairs and Chief Medical Officer. The Office of Health Affairs will have three main divisions: (i) Weapons of Mass Destruction (WMD) and Biodefense; (ii) Medical Readiness; and (iii) Component Services.

The organization of the Office of Health Affairs is consistent with the responsibilities of the CMO as stated in the Post-Katrina Act. The WMD and Biodefense division will be led by a Deputy Assistant Secretary, who will lead the Department's biodefense activities, including the BioShield and BioWatch programs, which will be transferred from the Science and Technology Directorate, and the National Biosurveillance Integration System, which will be transferred from the Office of Infrastructure Protection. The WMD and Biodefense division will also be responsible for implementing the Department's responsibilities under *Homeland Security Presidential Directive 9 -- Defense of United States Agriculture and Food* and *Homeland Security Presidential Directive 10 – Biodefense for the 21st Century.*

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[5] In the notice of the Department's July 2005 Second Stage Review, DHS realigned resources in the State and Local Government Coordination and Preparedness Office in part by shifting at least 6 FTE and related resources to the Office of Legislative and Intergovernmental Affairs (OLIA) and 17 FTE to the Preparedness Directorate. At this time, the FTE and related resources that were shifted to OLIA will be placed in the NPPD, and the resources formerly in the Preparedness Directorate will move to FEMA. DHS will consult with Congress on further alignment of resources to support the Office of Intergovernmental Affairs.

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Medical Readiness will be led by an Associate CMO, who will be responsible for WMD contingency planning, readiness of medical first responders, WMD incident management support, and medical readiness grant coordination. Medical Readiness staff will support the Administrator of FEMA in his duties to coordinate the Emergency Support Functions, including ESF-8, Public Health and Medical Response.

Component Services, also led by an Associate CMO, will provide policy, standards, requirements and metrics for the Department's occupational health and safety programs and provide Protective and Operational Medical Services for the Department.

2. Ready.gov. The Ready.gov program supports a public relations campaign to improve readiness on a national level. The program encourages individual and community preparedness activities. The program has existed within the DHS Office of Public Affairs since the Department's inception, and has enjoyed a very close relationship with the Office of the Secretary in carrying out its community awareness campaigns. Although there had been tentative plans within the Department formally to relocate this office to the Preparedness Directorate, those plans have been reversed. Ready.gov will be retained within the DHS Office of Public Affairs.

3. Consolidation of the Cuban and Haitian Entrant Program (CHEP), Humanitarian Parole Program, and the Moscow Refugee Parole Program within CIS. DHS will consolidate CHEP and the non-law enforcement functions of related parole programs from U.S. Immigration and Customs Enforcement (ICE) to U.S. Citizenship and Immigration Services (CIS). CHEP grants are currently funded by CIS, while staff is funded through ICE. These programs provide a structured and predictable process for controlling the orderly migration of individuals paroled into the United States. Federal staff coordinate the structured reception, processing and community placement of individuals released from immigration custody. CHEP services are provided through cooperative agreements with non-governmental organizations -- in particular the U.S. Conference of Catholic Bishops and the Church World Service -- which provide services to parolees when they arrive in the United States.

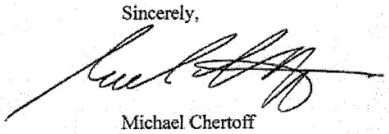
4. Clarifying the Names of ICE and CBP. The Homeland Security Act of 2002 established the Bureau of Border Security (6 U.S.C. § 252). On November 25, 2002, pursuant to Section 542 of the Act, the President submitted a plan to reorganize DHS. On January 30, 2003, the President submitted a modification to the reorganization plan which divided the Bureau of Border Security into two separate components: the "Bureau of Immigration and Customs Enforcement" and the "Bureau of Customs and Border Protection."

In July 2003, Secretary Ridge approved branding and identity guidelines for ICE and CBP, replacing the words "Bureau of" with "U.S." for letterhead, business cards, and signage purposes. The elimination of the words "Bureau of" has led to some confusion within the agency and with the public as to whether the amended name is the official name for all purposes. Thus, DHS plans officially to rename these components by replacing the words "Bureau of" with "U.S." to reflect DHS's position that U.S. Immigration and Customs Enforcement and U.S. Customs and Border Protection are the official names of the components for all legal purposes, including Federal Register rulemaking and court filings.

III. CONCLUSION

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, it has no objection to the submission of this notice. Please feel free to contact me or a member of my staff if you should require additional information of the Department's restructuring.

Sincerely,



Michael Chertoff

Enclosures: Organizational Charts

Attachment I
Proposed DHS Organizational Charts

January, 2007

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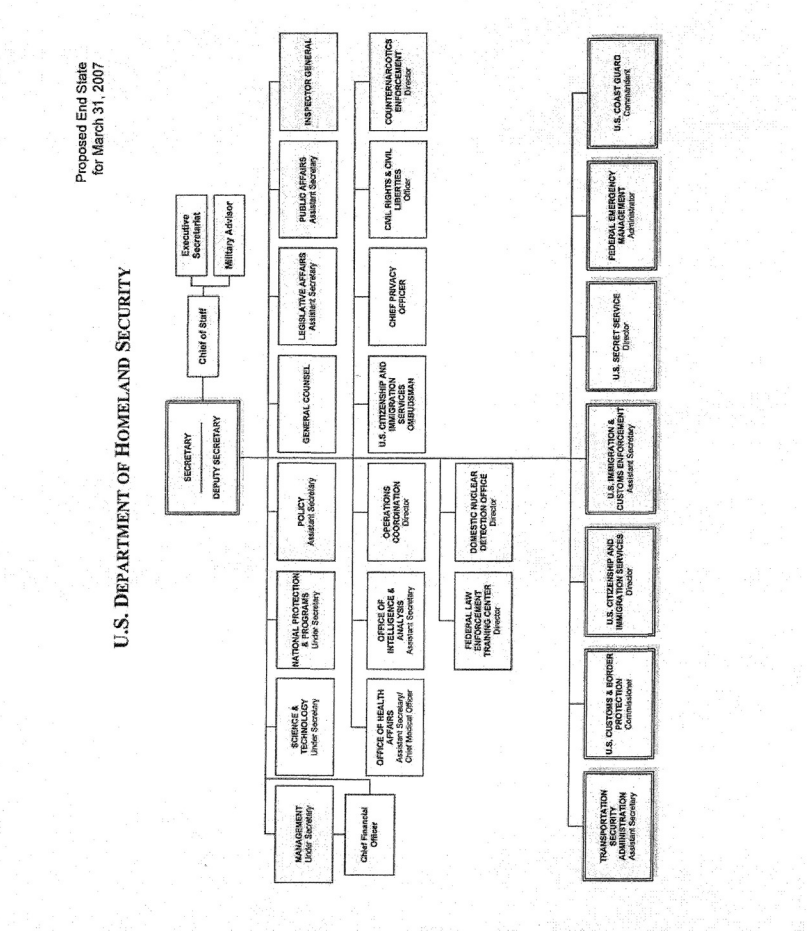
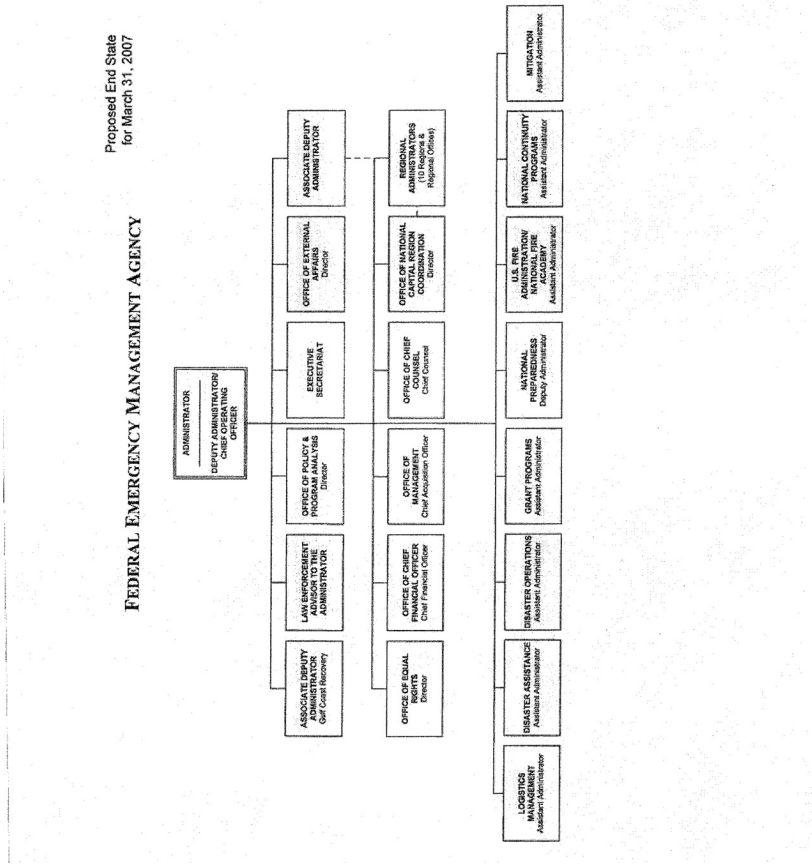

Proposed End State
for March 31, 2007
U.S. DEPARTMENT OF HOMELAND SECURITY
SECRETARY
DEPUTY SECRETARY
Executive Secretariat
Chief of Staff
Military Advisor
MANAGEMENT
Under Secretary
Chief Financial Officer
SCIENCE & TECHNOLOGY
Under Secretary
OFFICE OF HEALTH AFFAIRS
Assistant Secretary/ Chief Medical Officer
NATIONAL PROTECTION & PROGRAMS
Under Secretary
OFFICE OF INTELLIGENCE & ANALYSIS
Assistant Secretary
POLICY
Assistant Secretary
OPERATIONS COORDINATION
Director
FEDERAL LAW ENFORCEMENT TRAINING CENTER
Director
DOMESTIC NUCLEAR DETECTION OFFICE
Director
GENERAL COUNSEL
U.S. CITIZENSHIP AND IMMIGRATION SERVICES OMBUDSMAN
LEGISLATIVE AFFAIRS
Assistant Secretary
CHIEF PRIVACY OFFICER
PUBLIC AFFAIRS
Assistant Secretary
CIVIL RIGHTS & CIVIL LIBERTIES
Officer
INSPECTOR GENERAL
COUNTERNARCOTICS ENFORCEMENT
Director
TRANSPORTATION SECURITY ADMINISTRATION
Assistant Secretary
U.S. CUSTOMS & BORDER PROTECTION
Commissioner
U.S. CITIZENSHIP AND IMMIGRATION SERVICES
Director
U.S. IMMIGRATION & CUSTOMS ENFORCEMENT
Assistant Secretary
U.S. SECRET SERVICE
Director
FEDERAL EMERGENCY MANAGEMENT
Administrator
U.S. COAST GUARD
Commandant

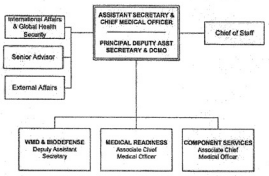

FEDERAL EMERGENCY MANAGEMENT AGENCY
Proposed End State
for March 31, 2007
ADMINISTRATOR
DEPUTY ADMINISTRATOR/
CHIEF OPERATING
OFFICER
ASSOCIATE DEPUTY
ADMINISTRATOR
Gulf Coast Recovery
LAW ENFORCEMENT
ADVISOR TO THE
ADMINISTRATOR
OFFICE OF POLICY &
PROGRAM ANALYSIS
Director
EXECUTIVE
SECRETARIAT
OFFICE OF EXTERNAL
AFFAIRS
Director
ASSOCIATE DEPUTY
ADMINISTRATOR
OFFICE OF EQUAL
RIGHTS
Director
OFFICE OF CHIEF
FINANCIAL OFFICER
Chief Financial Officer
OFFICE OF
MANAGEMENT
Chief Acquisition Officer
OFFICE OF CHIEF
COUNSEL
Chief Counsel
OFFICE OF NATIONAL
CAPITAL REGION
COORDINATION
Director
REGIONAL
ADMINISTRATORS
(Ten Regional
Regional Offices)
LOGISTICS
MANAGEMENT
Assistant Administrator
DISASTER ASSISTANCE
Assistant Administrator
DISASTER OPERATIONS
Assistant Administrator
GRANT PROGRAMS
Assistant Administrator
NATIONAL
PREPAREDNESS
Deputy Administrator
U.S. FIRE
ADMINISTRATION/
NATIONAL FIRE
ACADEMY
Assistant Administrator
NATIONAL CONTINUITY
PROGRAMS
Assistant Administrator
MITIGATION
Assistant Administrator

Proposed End State
for March 31, 2007

FEMA/NATIONAL PREPAREDNESS DIRECTORATE

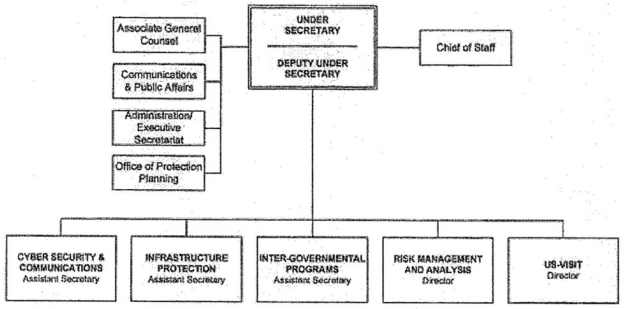
Proposed End State
for March 31, 2007

OFFICE OF HEALTH AFFAIRS



Proposed End State
for March 31, 2007

NATIONAL PROTECTION AND PROGRAMS



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Appendix II: Questions and Responses

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON HOMELAND SECURITY

RESPONSES FROM THE HONORABLE GEORGE W. FOREMAN, UNDER SECRETARY FOR PREPAREDNESS, DEPARTMENT OF HOMELAND SECURITY

Question 1.: Can you assure this Committee that all of the support positions relating to preparedness programs that are moving from the Preparedness Directorate to FEMA, including all of the grants, training and exercise programs, are also being transferred to FEMA?

Response: In planning this reorganization, the Federal Emergency Management Agency (FEMA) has undertaken efforts to capture and integrate the preparedness concept into programs, mission, and enterprise culture. Shortly following enactment, FEMA leadership reached out to the Preparedness Directorate to identify and incorporate the synergies that Congress envisioned for the new FEMA. A "FEMA-Preparedness-DHS Senior Leadership Team" was assembled to guide the overall transition effort. This team established several FEMA/Preparedness functional teams that have been working for several months to address major transition management issues in the areas of personnel, finance, grants, procurement, facilities and security, communications, and information technology.

Recognizing the need to focus on mission-essential program integration, FEMA also assembled an integrated team of senior managers from Preparedness Directorate programs and offices that were transferring to FEMA. The purpose of this mission-oriented team was to help educate, inform, collaborate with, and advise FEMA leadership on the most programmatically sound organizational structure. As a result of these deliberations, the Department split the functions of the Office of Grants and Training (G&T) among an FEMA's Grants Programs directorate and National Preparedness directorate, which will integrate the preparedness, doctrine, training and exercise functions that previously resided in FEMA and the Preparedness Directorate.

Accordingly, the administrative actions needed to integrate the G&T staff, resources, assets, programs, and mission into FEMA met the mandated transition date of March 31, 2007. The full integration of G&T's programs, policy, and doctrine will be an ongoing effort to continue to evolve over the next several months.

Question 2.: What will the Risk Assessment office's role be in determining the allocation of homeland security grants? Will the office of Grants and Training be stripped of its role in creating grant policy and guidance?

Response: The Office of Risk Management and Analysis will ensure that all individual risk programs, which include the risk analysis-driven DHS grant programs, are synchronized, integrated, and use a common approach. The Department's common risk framework will be based on developing and embedding a standardized and consistent national approach to risk that is coordinated and collaborative, and will share risk expertise across the Department's components and external stakeholders.

Under the Departmen's original organizational structure, the Office of Grants and Training (G&T) did not include an independent risk analysis component. Consequently, G&T has always relied heavily upon the essential coordination and integration of other departmental components in developing a comprehensive grant allocation methodology based on risk. FEMA's Office of Grants will retain responsibility formerly in G&T for administering the Department's Homeland Security grant programs and ensuring that all relevant data sets are represented as the Department establishes a common risk methodology. It will continue to draw from the expertise of relevant components in determining the priorities and risk formula for deciding grant allocations as part of a comprehensively informed grant process.

For example, in the fiscal year 2007 Infrastructure Protection Programs grant cycle, G&T relied upon the expertise of the DHS Office of Intelligence and Analysis

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to provide current threat data, the Office of Infrastructure Protection to provide risk and vulnerability data (in the form of our critical asset lists), and the United States Coast Guard for data relating to ports and waterways. It is by relying on component strengths and expertise through this highly collaborative internal process that the Department is able to make informed allocation decisions to better secure the homeland.

QUESTIONS FROM THE HONORABLE HENRY CUELLAR, CHAIRMAN, SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

RESPONSES FROM THE HONORABLE GEORGE W. FOREMAN, UNDER SECRETARY FOR PREPAREDNESS, DEPARTMENT OF HOMELAND SECURITY

Question: What are the principal internal DHS coordination challenges that the National Protection and Programs Directorate faces? For example, how will you coordinate emergency communications, risk analysis, and infrastructure protection responsibilities with the grant programs that will be located within FEMA?

Response: The principal coordination challenges that the National Protection and Programs Directorate (NPPD) face are related to emergency communications, risk analysis, and infrastructure protection.

Emergency Communications: The Office of Emergency Communications (OEC), located within NPPD, is responsible for interoperable emergency communications that support the Department of Homeland Security (DHS) grant programs and will continue to coordinate with the Federal Emergency Management Agency's (FEMA) newly formed Office of Grants and Office of Training and Exercises. Specifically, OEC will help these offices develop grant guidance related to interoperable communications. Additionally, OEC will directly support the efforts of these offices, as well as our State and local partners in the development and implementation of their Statewide Communications Interoperable Plans through the Interoperable Communications Technical Assistance Program.

Risk Analysis: The Office of Risk Management and Analysis (RMA), established by the Secretary as a result of the Post-Katrina Emergency Management Reform Act passed as part of the Fiscal Year 2007 DHS appropriations Act, will lead the Department's efforts to establish a common framework to address the overall management and analysis of homeland security risk. Within this capacity, RMA will ensure that Department component risk programs are synchronized and integrated, and use a common approach/lexicon.

Currently, there are multiple components within DHS working to reduce our comprehensive risk. RMA will leverage and integrate risk expertise across the Department's components and external stakeholders to establish a common framework to address the overall analysis and management of homeland security risk. The Department components with risk programs will retain operational control of their specific programs.

G&T will continue to develop grant policy and guidance under FEMA's new structure. It will continue to take a collaborative approach in doing so, soliciting multiple inputs from numerous parts of DHS, including the Office of Policy, Preparedness Directorate, Domestic Nuclear Detection Office, and Customs and Border Protection, as well as other departments and agencies such as Heath and Human Services.

Infrastructure Protection: The DHS Office of Infrastructure Protection (OIP) has provided Critical Infrastructure/Key Resources (CI/KR) risk input to support the grant determination process since 2003. Previously, this input was provided directly to the Office of Grants and Training, but, moving forward, it will be provided to the Office of Grant Programs within FEMA. The Homeland Infrastructure Threat and Risk Analysis Center (HITRAC), the joint center established by OIP and Office of Intelligence and Analysis, has the primary responsibility within DHS to provide CI/KR risk information to support the grant determination process.

HITRAC supports the grant process in two primary ways. First, it develops the methodology used to calculate the threat component of risk and through the compilation of required threat data. Second, HITRAC provides the list of Tier 1 and Tier 2 assets used by the Office of Grant Programs to support eligibility determinations for Urban Areas Security Initiative, State Homeland Security, and Buffer Zone Protection grant programs. Providing the Tier 1 and Tier 2 assets to this process ensures that those assets and systems capable of creating nationally significant consequences are one focus of DHS's ongoing protective efforts.

Question 4.: What will the role of the intergovernmental unit in the new Protection and Programs Directorate be and how will it interact with efforts of other intergovernmental offices in the Department?

Response: The Department of Homeland Security has one of the most diverse constituencies of any Federal agency. States, municipalities, and relevant associations interact daily with our components on a range of issues including border security, critical infrastructure protection, information and intelligence sharing, emergency management, immigration, and transportation security. The Office of Intergovernmental Programs (OGP) within the National Programs and Protection Directorate will serve as the Department-level focal point for coordinating related communications and policies with Department leadership, and ensuring consistent and coordinated component-level interactions. This office will provide constituents a clear pathway for communication with Department leadership and vice-versa.

The OGP was established under Section 872 authority by the January 18, 2007 notice to Congress. The January 18 notice stated that OIP would be supported by shifting resources from the Office of Legislative and Intergovernmental Affairs (LIA) to the NPPD M&A appropriation to support the stand up of the OIP.

In addition, DHS has requested a legislative change to allow the personnel and assets of the former Office of State and Local Government Coordination (SLGC), which were transferred to FEMA as required by the Post Katrina Emergency Reform Act, to support OIP. The reason we have asked for this adjustment is that the functions of the SLGC are not FEMA functions, but rather department-level communication functions.

The OIP office will coordinate with other components intergovernmental affairs offices, such as the External Affairs Office in FEMA, to leverage assets to enhance coordination across the Department.

FEMA's Office of Intergovernmental Affairs will support the DHS Office of Intergovernmental Programs on FEMA related inquiries addressed to DHS leadership. FEMA's Office of Intergovernmental Affairs will serve as the primary point of contact for State, local and Tribal officials on all other FEMA related issues.

Question 5.: Can you please tell the Committee exactly when the Department plans to deploy the automated grant tracking system that would allow for tracking of the distribution and use of homeland security-related funds?

Answer: DHS has been working diligently on the requirements for a DHS-wide electronic grant management system. Because of the recent transfer of the Office of Grant and Training preparedness programs into FEMA, this effort has been intensified. FEMA has a robust life-cycle grant management system that was developed for the Assistance for Firefighter Grant Program. This e-Grants system will be enhanced to add the application/award processing and report functions for all of the DHS non-disaster assistance programs. It is anticipated that the DHS-wide e-Grants system will be operational beginning FY 2008, with the phasing of programs into the system accomplished over a three-year period.

Question 6.: Do you believe the Department of Homeland Security has done a sufficient job training its personnel on the NRP and NIMS?

Response: The Department has made important progress on training its personnel on the NRP and NIMS, but Department leadership will not be satisfied until all employees are trained on the basics of emergency preparedness and response.

The Department requires training on both the NRP and NIMS for all employees, and provides a number of online independent study courses. The courses are available online for both the NRP and NIMS, and certificates of completion are issued to employees to verify that they have received training. As of March 25, 2007, over 16,000 full and part time FEMA employees had completed the NIMS introduction course; and over 13,000 full and part time FEMA employees had completed the NRP introduction course.

With regard to the training of the PFO/JFO staffs, as part of FEMA's implementation of NIMS, all FEMA full-time employees and reservists are required to complete four independent study (IS) courses:IS–100, Introduction to Incident Command System; IS–200, Basic Incident Command System for Federal Disaster Workers; IS–700, National Incident Management System: An Introduction; and IS–800, National Response Plan: An Introduction. All new hires post-Katrina are required to complete this mandatory training. Federal officials who were named by Secretary Chertoff in support of State and local governments in preparing for, and responding to, major natural disasters this past storm season, participated in a training exercise in early May of 2006 where roles and responsibilities were reviewed.

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON HOMELAND SECURITY

RESPONSES FROM THE HONORABLE R. DAVID PAULISON, UNDER SECRETARY FOR FEDERAL EMERGENCY MANAGEMENT, FEDERAL EMERGENCY MANAGEMENT AGENCY

Question: Does FEMA plan to initiate a long-term nationwide, Federal ambulance support contract to evacuate patients and provide EMS to disaster areas when state and local resources become depleted? When will that contract be in place?

Will a long term, Federal ambulance support contract that is in place prior to the next large national disaster enable the government to negotiate lower pricing than if FEMA tries to negotiate such a contract in the midst of the disaster?

Response: FEMA is working diligently with the Department of Health and Human Services (HHS) to award national ambulance contracts on a regional basis for high risk areas of the country. The first contract in place will be for the six potentially hurricane impacted states in the Gulf Coast from Texas to Florida. A competitive solicitation will be issued and advertised using FedBizOpps.gov. This initial contract should be in place by June 1, 2007. The second regional contract will be awarded shortly after for the Atlantic Coast states from South Carolina to Maine. The third area will involve the West Coast and the fourth will be for those states within and around the New Madrid Seismic Zone. Regionalizing the contract should allow for increased competition, reduce costs, lessen the impact on the nation's local emergency ambulance service, and enhance the Agency's ability to quickly mobilize resources to the scene of an event by markedly reducing travel times.

Reducing costs and enhancing the Agency's ability to mobilize resources quickly in the aftermath of a disaster are the key motivations for establishing pre-negotiated regional ambulance contracts for our Nation's high risk areas. Having these contracts in place prior to an event will eliminate the need for trying to accomplish the contracting task during an event, which always drives up the cost. Further, advanced contracts allow FEMA to develop more robust response plans based upon a resource pool that we know will be available at the outset.

Question 2: As your agency fills vacancies, what training is to be provided for these recent hires and when?

What are the most critical skills that FEMA needs and why?

Response: FEMA's new hires receive training in several areas shortly after coming on board with the Agency. Briefings on Security and Ethics are provided the day new employees report for duty. Upon reporting to their hiring organization, and prior to receiving access to an email account, new employees must complete the Rules of Behavior Computer Security Awareness Training.

A full day of FEMA-specific training is provided within 30 days of entrance on duty. Topics include: FEMA's mission, history, values; mitigation; continuity of operations planning; response and recovery operations; National Incident Management System integration; public affairs; ethics; equal rights; information systems security; alternative dispute resolution; and workplace safety and security, including a discussion on violence in the workplace.

Employees are also shown how to access the FEMA Emergency Management Institute's (EMI) web page (*http://training.fema.gov/*) to locate training opportunities and are advised of the great value of training with our State and local partners. They are further advised to take advantage of experiential learning opportunities by working in teams with experienced FEMA employees, to seek various professional training opportunities provided by the Agency, and to participate in deployments for disaster operations where they will gain frontline experience and knowledge about FEMA and its core mission. Employees are also given a copy of an Individual Development Plan (IDP) form and advised to meet with their supervisors to develop their IDP.

During the FEMA Mission, History and Values segment, employees are specifically advised of the requirement to complete the following EMI Independent Study courses:

IS–100 Introduction to Incident Command System, I–100
IS–200 ICS for Single Resources and Initial Action Incidents
IS–700 National Incident Management System (NIMS), An Introduction
IS–800.A National Response Plan (NRP), An Introduction

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Mission Critical Occupations, those required to support and ensure the success of FEMA's Strategic Plan and commitment to our Country, include:

GS–0301 —	Fire Program Specialist
GS–0301 —	Program Specialist (National Security)
GS–0301 —	Program Specialist (Response)
GS–0301 —	Program Specialist (Recovery)
GS–0301 —	Program Specialist (Mitigation
GS–0301 —	Program Specialist (Preparedness)
GS–0801 —	Engineers
GS–0808 —	Engineers
GS–0810 —	Engineers
GS–1163 —	Insurance Examiner
GS–1712 —	Training Specialist
GS–0201 —	Human Resources Management Specialist
GS–2210 —	IT Specialists
GS–0391 —	Telecommunications Specialist
GS–0505 —	Budget/Financial Management
GS–1102 —	Contract Specialist

Generally speaking, mission critical occupations (MCO) are the job series, as defined by the Office of Personnel Management (OPM), critical to the success of any department or agency achieving its mission. As part of the Department of Homeland Security's (DHS) "One DHS" Workforce Plan, components were required to identify MCOs by conducting supply, demand, and gap analysis and developing strategies to overcome workforce issues in these key occupational series. A team of senior Human Resources Division managers and subject matter experts worked diligently to determine FEMA MCOs.

In addition to identifying MCOs, DHS adopted OPM's definition of mission critical competencies, which is: a competency most central to an organization's core business, reflected in an organization's mission, vision, and strategy, and which can arise as a result of new challenges and business trends affecting the agency. Crosscutting and high profile MCOs were identified across the Department, where DHS can track gaps in competencies significant throughout the Department and leverage resources to address workforce gaps. MCOs and their related competencies will serve as a resource for FEMA, and the Department to use in planning, managing, and developing skills to ensure that the Agency can meet core mission goals and objectives.

FEMA and Department leaders now have a clear picture of MCOs and the necessary competencies they represent, providing the Agency with a clear vision that guides the planning, investment, and management of human capital, tools to achieve performance improvements, and a guide to identifying Agency competencies and the training needed to successfully achieve the Agency's mission.

Question 3.: Exactly what assistance is HUD providing you in your continuing efforts to provide housing for the victims of Hurricane Katrina?

Response: FEMA and HUD began collaborating immediately following Hurricane Katrina and continue coordinating the provision of temporary housing for disaster victims both nationwide and in the impacted areas in direct support of ongoing disaster recovery operations. Examples of this collaboration include:

• FEMA and HUD are working closely with the Housing Authority of New Orleans on outreach efforts to ensure that all pre-Katrina HUD households are appropriately referred back to HUD for continued housing assistance.

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• HUD's Katrina Disaster Housing Assistance Program (HUD KDHAP), under which FEMA reimbursed HUD for the cost of providing disaster housing vouchers to pre-disaster HUD housed families that were displaced from HUD housing due to Hurricane Katrina. This arrangement continued until HUD received its own supplemental funding and transitioned this population to the HUD Disaster Voucher Program (DVP).
• FEMA and HUD modified an existing interagency agreement shortly after the disaster that enabled HUD to provide eligible Hurricane Katrina disaster victims with HUD single family housing resources.
• FEMA and HUD continue to exchange applicant data in order to identify applicants receiving excess or duplicate housing benefits from our respective agencies.
• HUD is a key partner in FEMA's Joint Housing Solutions Group to identify, evaluate and test alternative housing solutions for large numbers of disaster victims.
• HUD is a key partner in FEMA's interagency Disaster Housing Task Force. This task force also includes Veterans Affairs, the United States Department of Agriculture, the Internal Revenue Service and the United States Army Corps of Engineers, the Access Board, and internal DHS support entities.

QUESTIONS FROM THE HONORABLE HENRY CUELLAR, CHAIRMAN, SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS AND RESPONSE

RESPONSES FROM THE HONORABLE R. DAVID PAULISON, UNDER SECRETARY FOR FEDERAL EMERGENCY MANAGEMENT, FEDERAL EMEGENCY MANGEMENT AGENCY

Question 4.: Has the Department taken any steps to create a national credentialing system for first responders?
Response: The National Credentialing System will enhance the ability of Federal, State, Tribal, and local jurisdictions to locate and obtain appropriate emergency responders from other jurisdictions when needed for Inter-State Mutual Aid. The NIMS Integration Center (NIC) is working with existing State, Territory, or discipline-specific credentialing bodies toward national recognition for multi-jurisdictional response under mutual aid agreements. Working groups will identify the positions that should be credentialed and establish the minimum qualification, certification, training, and education requirements for each position. The NIC is developing guidance and best practices to ensure uniformity of process for credentialing. The NIC does not issue credentials or determine the job skills needed to be eligible for credentials, which is the role of local jurisdictions.
The EMS, Search and Rescue, Fire/Hazmat, Incident Management and Public Works working groups have produced 99 positions for credentialing. These positions are available for review and comment on the National Incident Management System website at *http://www.fema.gov/emergency/nims/whats—new.shtm.*
Additional credentialing efforts are being supported by the Association of State and Territorial Health Officials, Public Health, National Emergency Number Association, and the Association of Public Safety Communications Officials. Also, the DHS Science and Technology Directorate and the National Institute for Standards and Technology (NIST) are working to establish a working group to extend the FIPS–201 SmartCard standard to address more than identity vetting by specifying the storage allocation of data features, data structures and essential information such as affiliations, qualifications etc. to ensure the various FIPS–201 implementations will be interoperable nationally.

Question: Has FEMA created a language access plan which outlines how FEMA will provide meaningful access by Limited English Proficient (LEP) persons to services provided by FEMA?
Response: Sec. 689e of the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA) amends the Stafford Act to require that FEMA work with state and local governments to identify population groups with limited English proficiency and to take them into account in planning for emergencies or major disasters. Furthermore, Sec. 689e of the Post-Katrina Emergency Management Reform Act requires FEMA to ensure that information made available to individuals affected by emergencies and disasters also is made available in formats that can be understood by persons with limited English proficiency and individuals with disabilities and special needs.
To implement this and other requirements of the Post-Katrina Reform Act, FEMA has established a Legislation Implementation Action Team to develop implementation plans and recommended policy changes. The strategies under consideration to provide meaningful access to persons with limited English proficiency as well as those with disabilities and other special needs include the following:

• Integrating the PKEMRA Sec 689e requirements into and throughout FEMA programs and operations. This effort entails identifying omissions in operations plans and SOPs and updating procedures to address the new Stafford Act requirements that the communications needs of these populations be taken into account in emergency and disaster operations.
Translating disaster assistance information into frequently encountered languages in the U.S. and providing the same materials in formats accessible to persons with disabilities or special needs. Posting the materials on the FEMA Intranet and Internet sites and providing on CD and DVD for use in emergency and disaster operations.
• Providing information in appropriate formats in cooperation with state and local governments through Community Relations teams and FEMA-trained inspectors and contractors; and Congressional district offices, Disaster Recovery Centers, congregate shelters, feeding and first-aid stations, voluntary agencies, government agencies and more.
• Mandatory training for all personnel who encounter or communicate with or work directly with disaster victims, including headquarters, regional and JFO personnel; inspectors and contractors, DRC personnel, and personnel at shelters and feeding stations.
• Using hardware/software solutions to augment translating capabilities and providing alternative communications such as touch screens, electronic pointing devices, alternative keyboards, video relay, reading tools, screen enlargers, text-to-speech synthesizers, voice browsers and virtual computers that project computer screens onto walls and large screens.

Question 6.: Why did the Administration decide to keep the Ready program within in the Office of Public Affairs while Citizen Corps is moving into FEMA? How will all of the citizen preparedness programs in the Federal government be coordinated?

Response: The *Ready* Campaign, which was launched in February 2003, is the U.S. Department of Homeland Security's national effort designed to educate and empower Americans to prepare for and respond to emergencies including natural disasters and potential terrorist attacks. The goal of the *Ready* Campaign is to encourage our citizens who can prepare to do so, freeing up valuable response resources and helping make our Nation more secure, strong and resilient. Because public communications and outreach are at the core of the *Ready* Campaign, it makes sense to house it within the Office of Public Affairs.

Ready asks individuals to do three key things to prepare: get an emergency supply kit, make a family emergency plan, and be informed about the different types of emergencies that could occur and their appropriate responses. The campaign also includes several extensions for specific audiences. *Ready Business* helps owners and managers of small- to medium-sized businesses prepare their employees, operations and assets in the event of an emergency. *Ready Kids* is a tool to help parents and teachers educate children ages 8—12 about emergencies and how they can help get their family prepared. *Listo, Listo Negocios* and *Listo Ninos* are Spanish language versions of these efforts.

Inherently a communications effort, the *Ready* Campaign's messages have been distributed through: television, radio, print, outdoor and Internet public service advertisements (PSAs) developed and produced by the Advertising Council; brochures; www.ready.gov and www.listo.gov Web sites; toll-free phone lines 1–800-BE-READY and 1–888-SE-LISTO; and partnerships with a wide variety of public and private sector organizations.

Thus far, *Ready* has been a success. Since its launch the campaign has generated more than $618 million in donated media support; its Web site has received more than 2 billion hits and 25.7 million unique visitors; and more than 12 million *Ready* materials have been distributed. In addition, a national survey conducted by The Ad Council in June 2006 found that from 2005 to 2006, the proportion of Americans who said they have taken *any* steps to prepare rose 10 points, from 45 percent to 55 percent.

With regards to Citizen Corps, the Citizen Corps program addresses each aspect of the emergency management cycle through all-hazards and as such, the program fits well within the FEMA mission. Citizen Corps is a National hands-on, grassroots effort that improves individual and community preparedness and resilience through information, training, and active engagement through our program partners and affiliates. Citizen Corps and Ready work in tandem to promote community preparedness. In addition, Citizen Corps maintains a close, well-established relationship with the FEMA Office of Public Affairs. This relationship will ensure that all Citizen

Corps activities and outreach will be coordinated with the activities through the DHS Office of Public Affairs.

Question 7.: In a disaster situation, what decisions can you make as FEMA Administrator on you own and what decisions have to be approved by either the Secretary or Deputy Secretary of the Department of Homeland Security?

Response: As FEMA Administrator, I will be able to exercise all authorities given to me by statute and through delegations of authority. Currently, under Delegation Number 9001, the Secretary of Homeland Security has specifically delegated to me the authority to provide oversight and responsibility for disaster-related activities, including:

- Helping to ensure the effectiveness of emergency response providers to terrorist attacks, major disasters, and other emergencies
- Providing the Federal Government's response to terrorist attacks, major disasters, and other emergencies
- Coordinating other Federal response resources in the event of a terrorist attack or major disaster
- Assigning disaster response-related duties or tasks to DHS organizations elements or offices, or to other Federal agencies, and arranging for appropriate reimbursement from the Disaster Relief Fund of other available funds to DHS organizational elements or offices, or to other Federal agencies performing disaster-related assignments
- Aiding the recovery from terrorist attacks, major disasters and other emergencies

The existing delegations of authority from the Secretary are being revised to reflect the new scope of authorities provided to the Administrator of FEMA by statute.

Question 8.: Could you give us your thoughts on the respective roles the Principal Federal Official and the Federal Coordinating Official should play in the preparation for and response to an incident, and how we can clarify the two?

Response: As a part of the National Response Plan review process, the Department continues to work on defining and clarifying the role of the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO). A goal of the process is to incorporate language regarding the national response structures at the field-level within the NRP during a domestic incident response and to include discussions on the role of the PFO and FCO. The revised NRP will be released in the Summer of 2007.

QUESTIONS FROM THE HONORABLE CHRISTOPER CARNEY, CHAIRMAN, SUBCOMMITTEE ON MANGEMENT, INVESTIGATIONS, AND OVERSIGHT

RESPONSES FROM THE HONORABLE R. DAVID PAULISON, UNDER SECRETARY FOR FEDERAL EMERGENCY MANAGEMENT, FEDERAL EMERGENCY MANAGEMENT AGENCY

Question 9.: Has FEMA clearly defined the roles, responsibilities, and expected outcomes for each of its organizational components under its new organizational structure? If not, what is the status of those efforts?

Response: As part of the FEMA re-tooling and reform efforts, FEMA is currently in the process of a full transformation process. This process has included several senior leadership sessions and working group function and mission sessions to realign FEMA organizational components, address system concerns, and upgrade FEMA's ability to quickly respond and recover from future events. Also, FEMA and the former Preparedness (PREP) directorate's leadership teams have met regularly since January 2007 to ensure a smooth transition of all preparedness functions and missions. One of the senior leadership teams is specifically reviewing the missions and functions and roles and responsibilities of the PREP programs to ensure optimal integration into FEMA. The approach has been used to identify the best practices of both FEMA and PREP, with the ultimate goal of strengthening national preparedness through our State and local partners.

The focus of the transition through March 31 is on the tactical and operational activities necessary to complete administrative transfers so that there is a seamless transition for our transferring employees, as well as our State and local partners. The new FEMA organizational structure has been in place since March 31, 2007. For the remainder of FY 2007, FEMA will be focusing on complete integration of PREP functions and mission into FEMA, moving the balance of FEMA into the new organizational structure, and determining the best structure for the Regions. That will allow identification of specific missions and functions for all components of the

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New FEMA, and position the Agency to begin full implementation of the transition in FY 2008.

Question 10.: If another Hurricane Katrina were to strike today, what is FEMA certain it could do well (and why), and what key gaps remain (and why)? For example, some key problem areas in Katrina were mass care and shelter, evacuation of special needs populations, operable and interoperable communications, logistics, and reconciling the need for quick assistance while protecting against fraudulent claims.

Response: FEMA has been building increased management and resource capacity to address all the major recommendations coming out of the post-Katrina analysis and reports. We are confident the Agency can perform at much higher levels in the response and recovery areas you identify as well as in additional areas. DHS and FEMA have also worked closely with their Federal, State and local partners to build increased response and recovery capacity at all levels in anticipation of possible future catastrophic incidents. While FEMA and its partners have taken great strides to be better prepared to address any and all disaster response and recovery needs, it must be recognized that our ability to be effective is tied to a certain extent to how much the capabilities of our State and local partners have been affected by the incident. It must also be understood that if another incident of the magnitude of Katrina took place, while our response and recovery efforts would be much more effective, we would not be able to address all disaster victim needs immediately. The sheer magnitude of such an event would still be challenging to the collective immediate response ability of FEMA and our Federal, State and local partners.

As we approach the 2007 hurricane season, FEMA is more ready than at any time in its history to work with State and local partners. Further, FEMA has assisted many more disaster victims in a shorter period of time, with greater accuracy and improved protection against waste, fraud and abuse, and adopted new policies and procedures developed post-Katrina to support State and local efforts as they transition to longer-term recovery solutions.

Question 11.: Does FEMA have the authority it needs to fully perform its roles and responsibilities? If not, what areas need to be addressed?

Response: FEMA maximizes the authorities that are available and looks forward to continuing to work with Congress as it develops proposed legislation relating to all of FEMA's authorities.

Question 12.: What are the principal internal coordination challenges that FEMA faces with DHS under its new organization? How does FEMA plan to address those challenges?

Response: The Preparedness Directorate Components that are now part of FEMA provide an opportunity to implement and integrate the best practices of both organizations to build a better, more efficient, more capable and more coordinated preparedness and emergency response agency. The Preparedness Components have been completely integrated into FEMA and will partner with other FEMA directorates to leverage assets and resources. Some of the other major benefits of this new organization include:

- Integrating the innovative national preparedness system and the agile, adaptive emergency response system represents a cultural shift for FEMA and the Department that will strengthen the Nation's resilience, improve service to our stakeholders, and empower our employees;
- Presenting a comprehensive, strengthened and coordinated preparedness and emergency response regional structure that presents the full range of FEMA missions will support a more effective partnership with our State, local, and other stakeholders to ensure a more prepared national response capability;
- Strengthening expanded training and exercise programs that incorporate elements of the full range of emergency management disciplines including preparedness, protection, response, recovery and mitigation for increased capabilities at the Federal, State and local levels; and
- Increasing collaboration with the Department and its many components is accelerating integration of our capabilities with those of our Departmental partners under the new DHS organization. FEMA benefits greatly from the support and cooperation received from DHS Components we have traditionally worked with, such as Operations and Infrastructure Protection, and relatively new partners such as the Domestic Nuclear Detection Office (DNDO), Health Affairs and the Secret Service.

The net result of the implementation of the new FEMA organization is the development of a more robust emergency management system and an expanded and more

closely coordinated "culture of preparedness" to engage all Americans in helping the Nation address the continuing challenges we face.

Question 13: GAO has reported that FEMA has not had good information on the resources needed for its day-to-day operations compared to the additional resources it needs to assist state and local governments respond to major disasters. **What is FEMA doing to determine its "baseline" operational resource needs? What assumptions and analyses are being used to identify those needs?**

Response: With the transition of the Preparedness Directorate to FEMA and as part of the Department's FY 2009—2013 Programming and Budget activities, FEMA is revalidating and adjusting our baseline dollars to ensure that money is available to accomplish Agency priorities and to determine any new or additional requirements. To identify these needs the agency is using accepted management engineering practices and tools for data collection and resource validation.

QUESTIONS FROM THE HONORABLE HENRY CUELLAR, CHAIRMAN, SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

RESPONSES FROM THE HONORABLE RICHARD L. SKINNER, INSPECTOR GENERAL, DEPARTEMENT OF HOMELAND SECURITY

Question 1.: What would you consider to be the largest acquisition related problems that FEMA and other federal agencies encounter when it comes to disaster contracts?

Response: There are three areas, which FEMA or any other federal agency needs to address regarding disaster contracts:

(1) **Tracking and Reporting Contract Information:** In responding to Hurricane Katrina, federal agencies awarded numerous contracts to respond in the immediate aftermath of the hurricane. However, adequate contract information was not readily available. A common database and electronic copies of documents are needed for all agencies to facilitate the dissemination of contract data as well as the oversight of contractors.

(2) **Better Strategic Planning to Address Disaster Acquisitions:** The federal government should develop better contracting strategies that maximize the use of advance contracts to the extent practical and cost-effective. Pre-existing contracts that are negotiated before disasters strike and coordinated with state and local governments could help mitigate the numerous problems we cited last year.

(3) **Lack of Good Contract Monitoring to Help Minimize Fraud, Waste, and Abuse:** Agencies must be able to provide sufficient numbers of trained field-level contracting staff and to meet mission requirements. should also establish an assessment process to monitor planning efforts for disaster-related procurement needs and to monitor and maintain surge capacity for disaster contracting.,

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Question 2.: Is FEMA making any strides in addressing the lack of clearly communicated acquisition responsibilities among FEMA, other federal agencies, and state and local governments and the insufficient numbers of acquisition personnel to manage and oversee contracts?

Response: FEMA has committed to a number of initiatives including:

- Self-assessments and retooling their procurement organization
- Over 200 new readiness contracts
- Better contract tracking and reporting procedures
- A concerted effort to fully staff desperately needed procurement positions

They have made progress so far and these measures should help significantly, but the actions taken so far are clearly not enough to ensure that FEMA is prepared for the next catastrophic event. The acquisition management reforms that need to occur throughout DHS, including FEMA, will take several years.

Additionally, FEMA has developed a National Contingency Plan, which will help the Agency prepare for the 2007 Hurricane season. As part of this plan, an acquisition tracker has been developed which identifies procurements to support the 2007 Hurricane Year.

This tracker is a tool, which is prioritized by three tiers:

- Type of goods or services
- Projected dollar value, and
- Acquisition strategy.

The tracker helps to support the contingency plan to compete contracts for requirements, which may be needed in the future. By aiding FEMA in competing contracts prior to the advent, this acquisition tracker should reduce the need to procure items required to support the disaster relief and recovery assistance in an urgent and compelling environment. In addition, the contingency plan will ensure contractor support is in place to help FEMA quickly mobilize resources in immediate response to disasters.

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